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NEWS SUMMARY

GENERAL

Dublin court upholds Provo

A British extradition application for an English-born naturalised Irish citizen over the bombing of Mr. Edward Heath's Wilton Street, London, home was rejected by the Dublin High Court yesterday.

The claim by the wanted man, Joseph Patrick Gilhooley, 24, that the offence and others of which he was suspected were political was accepted by the court after a 20-minute hearing.

Britain applied to have him sent back from Dublin under a section of the Anglo-Irish Extradition Act. An extradition order was granted last December.

In an affidavit, Gilhooley said he was a member of the IRA in Great Britain. The Anglo-Irish Criminal Law Jurisdiction Act, introduced earlier this week, permits terrorist suspects to face courts where they are arrested—in either part of Ireland or in Britain—regardless of where their alleged crimes are committed. But this new law only applies to offences committed after June 1.

Syrian jets buzz Beirut

Syrian Mig 21 fighters made low level passes over Beirut yesterday in a show of force which was taken to drive home the serious intent of Syria's military intervention in Lebanon. Left-wing forces retaliated with machine-gun fire. Meanwhile, Syria informed France that despite the presence of its troops in Lebanon, it continued to support Lebanon independence. Page 5, Editorial Comment, Page 20

Reagan stumbles over Rhodesia

Mr. Ronald Reagan, former Governor of California, appeared to suggest yesterday that were he elected President he would consider sending U.S. troops to Rhodesia to avert civil war. Later, however, he was at pains to state his confidence in the inevitability of black majority rule. Page 4

Berlinguer speaks at Paris rally

Sig. Enrico Berlinguer, Italian Communist Party leader, took part in a mass meeting staged by French Communists in Paris last night to publicise the solidarity of Western Europe's two biggest Communist Parites. Page 7

Giscard runs up his own flag

President Giscard d'Estaing yesterday started flying his own version of the Tricolour above the Elysee Palace. When palace staff ran up the flag, Parisiens noticed that a Roman fasces was emblazoned on the central white strip, thus stamping Giscard's personal style on the Presidential residence.

Jockey surprise

Racehorse trainer Dick Hern, whose owners include the Queen, Lady Beaverbrook, Sir Michael Sobell and Sir Arnold Weinstock, is to replace Joe Mercer with Willie Carson as stable jockey at the end of the season. Joe Mercer will continue to ride the Queen's horses from Ian Balding's stable.

Briefly . . .

West Indies were 275 for 2 in the first Test at Trent Bridge. Trevor Bailey, Page 2

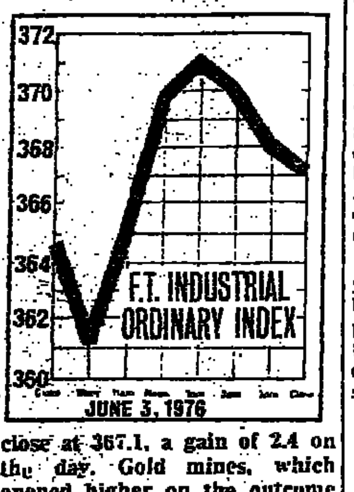
Yachtsman Mike McMullen, whose wife died on Wednesday while working on his boat, is to stay in the Observer single-handed transatlantic race which starts from Plymouth to-morrow.

Members of the Gallipoli Association, return to-day to the 1915 scene of heavy British and Empire casualties fighting the Turks. It is probably their last reunion pilgrimage.

BUSINESS

Equities up 2.4 in nervous trading

● EQUITIES were highly nervous, with prices tending to follow the fate of the pound in foreign exchange markets. The FT 30-Share Index fell 3.5 to 361.3 initially, rallied to a peak of 371.0 and drifted down to



close at 367.1, a gain of 2.4 on the day. Gold mines, which opened higher on the outcome of the IMF auction, generally failed to hold their ground. Their index, after a five-day rise of 33.4, slipped 5.3 to 186.0.

● GILTS recovered from early losses, on the assumption that minimum lending rate will be unchanged

● GOLD rose 25 cents to $127.375. At the IMF gold auction, the Bank for International Settlements is believed to have bought 20 per cent. of the metal offered. Back Page

● STERLING fell to a new low of $1.7015, rallied to $1.7220 and slipped to a new closing low of $1.70975, down 1¼ cents on the day. Pound's trade-weighted depreciation widened to 41.6 (41.1) per cent.; dollar's narrowed to 1.08 (1.17) per cent.

● WALL STREET was up 2.05 at 977.98 near the close.

● IRELAND'S employers and unions have agreed on a new national wage pact after three months of hard bargaining. It is believed to provide for rises of between £6 and £10 a week.

Jobs lost as building activity falls

● BUILDING RECESSION is blamed for a decision by Associated Portland Cement Manufacturers to make production cuts and dismiss 500 workers. Back Page

● NATIONAL ENTERPRISE Board has launched its machine tool stock-building aid scheme by providing £5m. for the State-owned Alfred Herbert group. Back Page

● INTER-UNION BATTLE is looming after the Electrical Power Engineers' Association launched its campaign to recruit professional engineers and middle managers outside its traditional field—in competition with other unions. Page 10

● BRITISH CALEDONIAN Airways, recently granted routes to Lima, Caracas and Bogota, is buying two U.S. McDonnell Douglas DC-10 airliners worth nearly £30m. Page 8

● BRITISH INSTITUTE OF MANAGEMENT will change its legal status so that it can seek to play a greater role in national affairs. Page 8

COMPANIES

● BURMAH annual meeting in Glasgow to-day is likely to face a call by the Shareholders Action Group for a special report on the sale of Burmah's stake in BP to the Bank of England. Page 8

● BRITISH PETROLEUM net income was halved at £20.2m. in the first quarter this year. Page 23 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 9¾pc 1981	£91	+ ⅞
Treas. 12¼pc '93 "A"	£92⅞	+ ½
Beecham	357	+ 7
Berisford (S. and W.)	149	+ 9
Foseco Minsep	183	+ 7
GKN	312	+ 5
Hall (M.)	96	+ 4
Heath (C. E.)	398	+ 8
Howden (A.)	150	+ 6
IC Gas	310	+ 12
Inchcape	406	+ 11
Johnson-Rchrds. Tiles	195	+ 15
Lloyds Bank	210	+ 5
McCorquodale	185	+ 5
Pentos	48	+ 3
Petrocon	81	+ 4
Racal Electronics	222	+ 11
Rank Org.	160	+ 5
Samuel (H.) "A"	114	+ 6
600 Group	70	+ 4
Union Discount	313	+ 8
United Biscuits	117	+ 5
United Scientific	117	+ 9
Wadkin	80	+ 5
Weir Group	76	+ 4
Siebens (U.K.)	115	+ 10
BH South	190	+ 7
Utah Mining	385	+ 15

FALLS

Barlow Rand	193	− 9
Ellis and Everard	89	− 6
Jeavons (E. E.)	48	− 8
Linfood	183	− 12
Stag Furniture	60	− 5
BP	607	− 33
Shell Transport	426	− 8
Anglo American	315	− 10
Free State Geduld	£15½	− 1
Kinross	370	− 30
President Steyn	850	− 30
Western Areas	208	− 12

Pound loses further 1½ cents after Healey broadcast

BY PETER RIDDELL

In another nervous and volatile day in foreign exchange markets, the pound closed 1½ cents lower at $1.7097½ after a fall of 2¼ cents in the morning in the aftermath of Mr. Healey's "don't panic" broadcasts on both sides of the Atlantic on Wednesday evening.

The authorities were again holding to their line of no immediate action and there is not expected to be any official encouragement for a rise in Minimum Lending Rate today.

There does, however, appear to have been some support from the U.K. authorities for the pound in the morning although any help was on a small scale compared with the action taken, for example, daily in March and April: the extent of the use of central bank swap facilities is, of course, unclear.

The main central bank activity yesterday was heavy intervention by the Swiss National Bank to prevent further appreciation of the Swiss franc and this produced some indirect benefits for sterling.

Lower

Although selling of the pound was not as heavy as earlier in the week and there was some commercial buiying in mid-morning, the Chancellor's remarks seem to have disappointed and have failed to produce an immediate reversal of the decline in the exchange rate. The weighted depreciation widened by half a point to a record closing low of 41.6 per cent. after opening at 41.9 per cent., and sterling was drifting lower against the dollar towards the close.

The continued nervousness of the market also appears to reflect concern that certain of the major foreign holders of sterling balances might take advantage of any signs of a sustained rally to start selling. While the political relations with the main official holders apparently remain good, there has inevitably been speculation about a funding of these balances to reduce drastically sterling's reserve role. But this is not regarded as being on immediate official agenda and any change would be a massive exercise, not least because of the question of who would want to take on such a reserve role apart from the IMF.

An immediate rise in interest rates in an effort to stem the slide in the exchange rate also looked unlikely last night. Apart from a reluctance to retard the recovery of the U.K. economy by increasing the cost of borrowing, the authorities are reluctant to repeat the experience of a fortnight ago when MLR was lifted a point with no effect on the rate. So last night there was no official intention of encouraging a rise though the level of three-month Treasury Bill rates yesterday suggested a possible increaseof a quarter to half a point, and the position could change this morning.

would naturally increase pressure for action and the Chancellor has already faced a number of calls for an immediate statement when Parliament returns after the recess on Monday. No decision has yet been made on whether Mr Healey will make any kind of formal statement about the currency crisis next week.

The Chancellor has cancelled a visit he was to have made to-day to open a factory in Skelmersdale because of pressure of work but it was made clear officially last night that nothing sinister should be read into this and that no package is being prepared.

Pretext

Meanwhile, the political argument intensified yesterday as Mr. Anthony Wedgwood Benn, the Energy Secretary, accused the Conservative Party of supporting "those who are gambling with the pound" and using "this speculation as a pretext for massive and spectacular cuts in public services."

Mr Benn's speech was immediately attacked by Sir Geoffrey Howe, the Shadow Chancellor, who described it as a "wicked accusation." He said the whole world knew the pound had slumped because "this Government has totally failed to take a grip on what needs to be done. In face of these disastrous circumstances, only silence could be unpatriotic only silence could be unpatriotic."

Politics To-day Page 21

Scargill says vote may back pay curb

By Roy Rogers, Labour Correspondent

BRITAIN'S 250,000 miners may come out in favour of a further period of pay restraint when the results oft heir secret pit-head ballot are announced early next week, said Mrs. Arthur Scargill, the militant president of the Yorkshire miners and leading apponent of the proposed 4½ per cent. pay policy, as voting closed yesterday.

Even though the final count, by the Electoral Reform Society, begins only to-day, unofficial soundings by miners' leaders point to a a very close vote and possibly a narrow majority in support of the policy.

Tie possible

Mr. Scargill, speaking in the Yorkshire coalfield, the country's largest, said he could not try to predict the result as he had insufficient information from outside Yorkshire, wher he was assumed of an "overwhelming" vote against the policy.

But he would not be surprised to find a narrow majority for the policy, or even a virtual tie. The fact that there was discussion on the miners possibly voting against the majority advice of their own national executixe, the TUC, and a Labour Government was "astounding."

"It indicates the very serious depth of feeling against pay restraint that exists, and shows the need for Socialist measures from the Government if they are tot avoid disaster at the polls."

£ warning

He added a warning to the Government not to introduce sweeping public expenditure cuts in a bid to bolster the pound.

Even if the NUM does come out against th policy, as feared by some moderates, it will be only a propaganda blow to the policy, set to win overwhelming support at the special TUC on June 16.

Yesterday construction workers' delegates, who rejected the proposed pay policy on Wednesday, were told by Mr. David Ennals, Minister for Social Services, that they were in effect challenging the policy.

He urged delegates to the Union of Construction, Allied Trades and Technicians conference at Scarborough not to break ranks with the trade union and Labour movement, and to support the next stage of incomes policy in practice, even though they had voted against it.

Conference report, Page 10

Party war threatens Labour Bills

BY PETER HENNESSY, LOBBY CORRESPONDENT

GOVERNMENT BUSINESS managers are worried about the prospects for their legislative timetable if the Conservatives carry out their threat to wage an all-out Parliamentary war against the Government following its success in overturning the Speaker's ruling on the Aircraft and Shipbuilding Industries Bill.

Mr. Michael Foot, Leader of the House, and Mr. Michael Cocks, Government Chief Whip, met yesterday to discuss the consequences of a withdrawal of all pairing arrangements and a suspension of co-operation between Opposition and Government through "the usual channels."

A number of controversial Bills are up for their third reading after the Commons resumes on Monday and a determined Opposition could make the Government's life impossible by springing a series of snap divisions.

The Government has been unable to make a start on repairing the damage inflicted during the furore over the nationalisation of the aircraft and nationalisation industries as Mr. Humphrey Atkins, the Conservative Chief Whip, has been in the U.S. all week attending celebrations to mark the American bicentennial. He returns to London late to-night.

Mr Michael Cockqs will probably contact him over the week-end but there would seem little chance of an accommodation being reached before the Commons reassembles. Conservative fury is unabated at the Government for reversing the Speaker's ruling last week that the Shipbuilding Bill was prima facie "hybrid" by a single vote provided, the Tories claim, through a pairing arrangement being broken.

There is also the possibility of the Government being further discomfited on Monday when Mr. Robin Maxwell-Hyslop—who hit upon the Bill's potential hybridity—will ask the Speaker to reinstate the right of individuals to petition the House of Commons in person for equal treatment under its provisions.

The Conservatives are in no frame of mind to let the Government off lightly by restoring the "usual channels" before the maximum inconvenience has been caused over the nationalisation measure

Mr Foot, in a letter published in yesterday's Times, held out an olive branch to the Conservatives by saying: "I certainly wish to see a situation restored in which the business of the House can be conducted with dignity and trust."

But the effect of that remark was vitiated in Tory eyes by his adamant refusal to concede that the Government had done wrong in overturning the Speaker's ruling (though Mr. Foot made it clear in his letter that the Speaker agreed that such a move would not involve any "challenge, offence or disrepute" to his office before the Government embarked upon it).

In addition, Mr. Foot could have done little to engender sympathy on the Opposition benches by advancing the new principle that Parliament's standing would be diminished if economic change, such as that implicit in the controversial Bill, could not be transacted with reasonable speed.

Should the Government fail to get its nationalisation measure through in the present session of Parliament, it will find itself in difficulty during the second reading committee stage should it re-introduce the Bill in the next session.

During the record 58 days the Bill has spent in committee, the Government had a majority of one and did not lose a single division. But, with the loss of the Government's overall majority in the Commons, the Opposition parties will have parity in any future committees that are convened by the Selection Committee.

Mr. Foot wrote: "It is my conviction that if the procedures of the House are found to be so cumbersome and convoluted that major economic transformations cannot be made with reasonable speed and after reasonable periods of debate, then indeed Parliament will cease to be the place to which the people look for political and economic redress, and if that development deepens and spreads, then truly our Parliamentary democracy will be in peril."

Mr. Arthur Bottemley, MP for Middlesbrough and a former Labour Cabinet Minister, yesterday criticised Mr. Foot for giving his views to the Times rather than to Parliament. "It is best that these things should be said in Parliament so that the whole of the Press, the TV and radio can pick them up

Whatever the outcome of Mr. Cocks' approaches to his Conservative opposite number in the next two days, the Government is taking no chances. The Shipbuilding Bill is scheduled to pass through its final stages next Tuesday and Wednesday and the controversial Education Bill, which would require all local authorities to submit plans for secondary schools reorganisation along comprehensive lines, is due for its third reading on Thursday.

Ministers and backbench MPs have been asked to be ready to cancel all out-of-town engagements and foreign trips to be ready to vote in the Commons.

Seven-power summit talks to be held this month

BY DAVID BELL

WASHINGTON, June 3.

PRESIDENT FORD announced to-day that the leaders of six major industrialised nations have accepted his invitation to an economic summit at the end of this month which will aim "to chart a course that will keep the recovery moving forward at a healthy sustained pace."

Mr. Ford confirmed that the summit—to be attended by leaders of Canada, France, Germany, Italy, Japan and the U.K.—will be held in Puerto Rico on June 27 and 28, a week after the Italian elections but six weeks before the all-important Republican Convention in Kansas City.

It was announced in London that Mr. James Callaghan, accompanied by Mr. Anthony Crosland, the Foreign and Commonwealth Secretary, and Mr. Denis Healey, the Chancellor of the Exchequer will attend t he meeting.

The meeting is designed to continue the economic discussions which began at last year's Rambouillet conference in France, and President Ford said that it would again cover financial, monetary and trade issues, but would not go into details.

"In the past, world leaders have met to deal with crises, but to-day's complex problems require that leaders meet to avoid them," he added.

The joint announcement issued by all the participating countries to-day made no mention of the problems of sterling or the lira but it noted that discussions will cover "problems of mutual interest, including the progress of participating countries' economic recoveries and the current phase of their efforts to attain sustained economic expansion, financial and monetary matters, trade, energy, and relations with developing nations."

An hour after th ePresident's announcement, Dr. Henry Kissinger, the Secretary of State, Mr. William Simon, Treasury Secretary, and Mr. Alan Greenspan, chairman of the President's Council of Economic Advisers, held a joint briefing at which they went out of their way to reject suggestions that the summit has been timed to help Mr. Ford win his crucial battle for the Republican Party nomination.

Mr. Ronald Reagan, campaigning in California, said it had "crossed my mind" that there might be a political reason for the summit.

Dr. Kissinger said it had been planned for the past two months, and all three Cabinet officers agreed that it is necessary now because the pace of the world's economic recovery has been somewhat faster than was expected at Rambouillet. It was therefore of great importance that there should be a full discussion of the new phase the world economy is entering, and how best to avoid a recurrence of inflation in the months ahead.

"The economic recovery has come sooner than expected and has been stronger than expected, which brings with it the possible danger that renewed inflation could abort a recovery," Mr. Simon said, in echoeing Dr. Kissinger's remarks.

Japan GNP exceeds target

BY PETER DUMINY

TOKYO, June 3

JAPAN'S GROSS national product, adjusted for inflation, grew at an annual rate of 14 per cent. in the January-March quarter, the Economic Planning Agency announced today. As a result, economic growth over the whole of the Japanese fiscal year (which ended on March 31) came out at 3.1 per cent. in place of the 2.6 per cent. which had been forecast and which became the basis for economic policy-making last year.

While Government expediture made the running to a large extent, it was overtaken in the final quarter by recovery of consumer spending and a 9.4 per cent. rise in export earnings compared with the corresponding period of 1974-75. This export performance can also be expressed as approximately 60 per cent. growth at a seasonally adjusted annual rate, from the October-December quarter.

Of the components of GNP, consumer outlays went up at an annual rate of 14.7 per cent. in the final quarter and housing expenditure—an area of assidous official pump-priming — is provisionally said to have risen 49 per cent. on the same basis. Together these account for three-fifths of expenditure on GNP.

The preliminary figures show Government spending tailing off in January-March. Current outlays were only 6 per cent. higher, and capital programmes rose 9.2 per cent. (seasonally adjusted annual rates).

The remaining question mark over the recovery, and more particularly its staying power, is the failure of private investment outlays to pick up significantly. These are estimated to have risen only 2 per cent. on the same basis.

Advance notice that the Government had its sums wrong in 1974-75 came earlier this week with the Ministry of Finance's disclosure that tax revenue came out $1bn. (2.2 per cent.) higher than estimated, at $45.85bn.

For 1976-77, the Government's target is 5.6 per cent. growth, but already many private research establishments have forecast that it will be significantly higher.

Editorial comment Page 20

The Financial Times apologises to its readers for the numerous misprints which have occurred in the paper in recent days, particularly in early editions. This has been principally due to unofficial industrial action by one section of our NATSOPA employees.

FEATURES

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LOMBARD

Right approach to £ 'siege'

BY C. GORDON TETHER

THERE are sieges and sieges. And, this being so, one of the most discouraging things about the reaction in this country to the discovery that the international financial community is laying siege to the £ is the widespread assumption that the programme to beat off this assault must necessarily feature the traditional emphasis on austerity—starting with "massive cuts" in Government expenditure.

There cannot, it has to be acknowledged, be much doubt that the foreign attitudes to sterling we have been hearing so much about would be favourably influenced by action of this kind. They tend, after all, to be very much influenced by what is being said in this country. And one of the popular themes among critics of the Government's approach to the sterling issue is that there can be little hope of re-establishing confidence in the £ unless drastic action is taken t oreduce the Budget deficit by cutting back official spending programmes.

Needless to say, if we are going to accept the argument that it is of such crucial importance to reverse the £'s slide that we should be prepared to do whatever is necessary—however extreme or irrational—to appease foreign opinion, that is the end of the matter.

The test

But an alternative view can be taken — notably that no country should feel impelled to bow to foreign interference of this order in the conduct of its economic affairs just because the international currency markets cannot be relied upon to behave in responsible fashion. And, starting from that standpoint, the criterion against which all proposals for action to combat the sterling siege have to be assessed is whether or not they can be expected to contribute to the strengthening of the country's basic economic position.

It has to be said that, when it is subjected to this test, the case for vigorous retrenchment featuring major cuts in Government expenditure does not appear to have the irresistible character that those clamouring for such action have tended to assume.

There are obviously some impressive longer-term arguments for establishing a closer relationship between receipts and outgoings in the public sector. But there is no dispute that, at this moment of time, the British economy is far from being fully extended. And that must mean that any additional austerity would lead to a further increase in the amount of idle industrial capacity and idle manpower.

That in turn would be calculated both to add to official spending in respect of unemployment pay and impose new restraints on the inflow of revenue. And it is as well to remember in this connection that these two factors have played almost as important a part in producing the present giant-size public sector deficit as the basic growth of Government spending.

It seems extremely doubtful whether, making due allowances for the savings achieved by Government expenditure cuts, such a programme would make a net contribution of substance to the solution of our present inflation problem. For that problem, it should not be forgotten, arises not from any tendency for the demand on resources to outstrip productive capacity but from the self-perpetuating nature of a wages-prices spiral.

Incomes policy

We are co ntinually being told that we shall have to work hard to restore the confidence of the outside world in sterling. But we are hardly going to do that by actually adopting policies that are actually designed to curtail the opportunities to work. Surely the first essential of any rehabilitation programme must be to get the economy producing as much as it can within reason while keeping the disinflationary programme on course.

But if counter-siege action of the traditional austerity type is to be ruled out as inappropriate to the present situation, what should be done? The obvious conclusion is that the emphasis should be placed wholly on measures designed to fortify the economy at the point that has the greatest relevance to the supply-demand relationship for sterling — in the external payments field.

Thus a first essential is an attack on import excesses aimed at establishing our foreign exchange expenditure at a level we can afford while waiting for the stimulus given to exports by the devaluation of the £ to bear the hoped-for-fruit. Such a clear indication that Britain was striking at the very heart of the trouble would do more than anything else to restore confidence in sterling. And, given the growing concern in the world at large about the possible international repercussions of a continuing sterling collapse, would be doubly welcome there.

RACING BY DOMINIC WIGAN

French set for classic double

THE FRENCH, who won their first Derby for 11 years when Empery triumphed on Wednesday, look set to complete the Epsom classic double through *Pawneese* in this afternoon's Oaks (3.15). This much improved Carvin filly boasts considerably better credentials than the 13 home-trained fillies who will be attempting to halt her winning sequence, and her price of evens seems fully justified.

A narrow winner at St. Cloud on her reappearance early in March, Pawneese easily beat strong opposition on two further visits to the Paris track.

Her trainer, Angel Penna, considers her to be a safer bet than his Flying Water was for the 1,000 Guineas, and I find it difficult to disagree.

Pawneese is given a reasonably confident vote over Jeremy Tree's *Sarania*, on whom Lester Piggott will be bidding to land his fifth Oaks.

A year ago Britain's leading jockey had an armchair ride when partnering another Beckhampton-trained filly, Juliette Marny.

Third place could go to that under-rated half-sister to Rousalka, *My Fair Niece*, trained by Bruce Hobbs' Newmarket stable, which has produced so many top-class fillies in recent years.

EPSOM
2.00—Midsummer
2.35—Town and Country
3.15—Pawneese**
3.50—Heracles
4.25—Red Ruby
5.00—Maroon

CATTERICK
3.15—Riesling*
3.45—La Couronne***
4.15—Indianira
4.45—Marie Louise*

HAYDOCK
7.35—Lighter
8.05—Tommy's Hope
8.35—Card Player

Forty minutes before the Oaks, Joe Mercer, who has just lost his job as stable jockey to Dick Hern (he will be replaced by Willie Carson in 1977) looks set to land the Carew Stakes for the West Ilsley trainer on *Town and Country*.

I expect the popular Newbury-based jockey, whose departure from Hern came as a major and unpalatable surprise to many at Epsom, to complete a double for the stable on *Maroon*, among the runners for the Carshalton Maiden Stakes (5.0).

In addition to Epsom there is an afternoon meeting scheduled for Catterick and evening fixtures for Haydock and Stratford. The best bet from these three cards could well be *La Couronne* in the Scotch Corner Stakes (3.45) at Catterick.

Michael Stoute's filly might well have defeated Aerelko on this course last time out had her jockey Ernie Johnson brought her inexplicably wide turning into the home straight.

SALEROOM BY ANTONY THORNCROFT

Canon's guns score £63,000

THIS WEEK'S fall in the value of sterling is yet another bonus for the foreign antique dealers who have been flocking to London in recent years to buy goods which seem very cheap to them.

They were in evidence yesterday at a Bonham's sale of selected European paintings and ensured that many exceeded their pre-auction estimates.

In all, the sale made £64,265, with 12 per cent. unsold. Top price was the £6,500 from a German dealer Hoppe for a pair of landscapes by the 18th-century artist Johann Andreas Herrlein. The price was double the forecast.

Forti paid £3,000 for a pair of classical compositions cautiously attributed to G. P. Panini, and a typical view, *A November Night*, by the 19th-century Northern industrial artist John Atkinson Grimshaw also beat its forecast, at £2,400.

Christie's main sale of the day was in Dublin where it disposed of the collection of antique arms of the late Canon Charles Travers for £63,452.

The Canon spent all his life in the middle of Eire, ending his days as a parish priest, but all the time he was building up considerable expertise, as well as a collection, in antique guns. All 250 lots sold yesterday.

The highest price was £2,100 from the National Museum of Dublin for a rare six-barrel sporting rifle made in Dublin around 1835. It just about trebled its forecast.

A rare goose rifle made in London in 1821 was bought by the Irish dealer Whiteley for £1,900, within estimate, and a Dutch collector gave £1,300 for a Colt patent sporting rifle made around 1850.

A pair of flintlock duelling pistols, produced in Dublin in the early 19th century, went for £1,100, as did an Alexander Henry sporting rifle of 1860.

In London, a routine furniture sale totalled £38,358. Demand was strong, and a Chinese black lacquer cabinet-on-stand of the early 18th century was bought by a London dealer for double the estimate at £1,350. A Spanish dealer gave the same price for a George I burr-walnut bureau.

A first flight cover of the Hindenburg, which is, in fact, damaged by fire (the airship exploded as it came in to land in the U.S. in 1937) was sold for £1,400 at a Robson Lowe stamp sale at Bournemouth yesterday.

The saleroom had placed a very cautious estimate of £25 on the item. It was part of the collection of air-mail covers belonging to the late Lord Talbot of Malahide. His collection realised £8,035, in a sale which made £61,306 — almost double the forecast.

Sotheby's in Belgravia made £53,871 from Oriental ceramics, with only 1.16 per cent. unsold. The larger and more decorative items were in greatest demand.

A large pair of blue-and-white lacquered vases with wood covers from 19th-century Japan sold for £1,700, more than double the forecast. A Persian market Canton bowl of 1882 made £1,650, also well above estimate; and a smaller, similar bowl did even better at £1,600.

In Bond Stret, Sotheby's held a routine silver sale which made £25,339, with the highest price of £900 for a George III three-piece tea-set. A similar, but slightly later set, sold for £880. Both were bought by Jacoby.

Complete works of Churchill —for £1,250

A £1m. publishing project was completed yesterday with the presentation of the final volume of the collected works of Sir Winston Churchill to his widow, Lady Spencer-Churchill.

As she accepted volume 34 from Mr. Edward Heath at the Library of Imperial History, London, she said to him: "They must have cost an awful lot of money. I don't know how anybody can afford them."

The cost of the works, available only as a complete set, is £1,250. The series consists of 5m. words running to 17,000 pages.

Mr. Heath congratulated the publishers on the books' "most beautiful" binding. The project represented historical achievement as well as being a beautiful literary result.

CRICKET BY TREVOR BAILEY

England let West Indian batsmen off the hook

THE FIRST Test of the series started at Trent Bridge on a cold, dry day with rain threatening. Clive Lloyd won the toss and logically took strike, although there was enough life and bounce in the pitch to have encouraged his pace bowlers. The tourists brought in Daniel for Holding, who was in hospital, and Knott declared himself fit to play for England.

Greig opened with Snow and Hendrick against Greenidge and Fredericks and rather surprisingly did not attempt to pressurise the West Indian pair with an attacking field, despite the fact that the ball moved and sometimes lifted. Hendrick operated with only three close fieldsmen, two slips and a gully, while Snow was given three slips. In other words his tactics were designed more to contain than to seize the initiative.

Favour

In between a certain amount of playing and missing Greenidge struck three square cuts off short balls to the boundary and the partnership reached 36 in an hour before he was well caught in the gully, giving Hendrick some tangible reward for an opening spell which improved the longer he bowled.

In the meantime Old had replaced Snow and immediately presented problems to Fredericks who was holding on with less than complete conviction, while the spectacular Richards was lucky to survive on several occasions against the two English seamers.

Hendrick kept one end going until lunch, when the West Indies had reached 55 for 1. He and Old can consider themselves very unlucky not to have picked up at least three victims between them.

England wicket keeper Alan Knott fails to gather the b[...] and a snick from Viv Richards off Chris Old goes to t[...] boundary for four during the opening day's play of the fi[...] Test Match. Richards went on to make his century. T[...] other batsman is Kallicharran, 52 not out at the close.

The feeling that England had rather let their opponents off the hook in the opening session increased after lunch, when conditions were less helpful to the bowlers, though the occasional ball still moved appreciably. Richards and Greenidge gradually settled in against Snow, not quite at his best, and Old. The game was clearly beginning to move in favour of the West Indies as both Fredericks and Richards found their true touch.

The two medium seamers, Greig and Woolmer, shared the attack. The 100 came up rather surprisingly Frede[...] having allowed three consec[...] deliveries from Greig t[...] through to the keeper e[...] the fourth and was caugh[...] slip for a valuable 42. How[...] Richards, who took advanta[...] some loose deliveries from [...] mer, reached his 50 and [...] to show exactly why he is rated a world-class player.

At close of play the [...] Indians were 275 for [...] Richards was 143 not out [...] Kallicharran 52 not out.

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05 a.m. Open University (UHF only). 11.25 Cricket: First Test, England v West Indies. 1.30 p.m. Along the Trail. 1.45 News. 2.10 Cricket: First Test, England v West Indies. 3.58 Regional News (except London). 4.00 Play School. 4.25 Dastardly and Muttley in their flying machines. 4.35 Jackanry. 4.50 Screen Test. 5.15 It's My Belief. 5.40 The Wombles.
5.45 News.
6.00 Nationwide.
6.45 Sportswide.
7.00 In Search of Strange Animals with David Attenborough.
8.00 It's a Knockout.
9.00 News.
9.25 Starsky and Hutch.
10.15 To-night.
10.45 A Throne of Kings.
11.15 Weather/Regional News.
11.17 The Friday Film: "I Accuse," starring Jose Ferrer.

All regions as BBC 1 except at the following times:

Wales—1.30-1.45 p.m. O Dan Y Mor. 6.00-7.00 Wales To-day. 7.00-7.05 Bugs Bunny. 7.05-7.30 Heddiw. 7.30-8.00 'Steddfod Yr Urdd. 10.15-10.45 Kane on Friday. 10.45-11.15 Vibes. 11.15-11.17 News for Wales.

Scotland—6.00-7.00 p.m. Reporting Scotland. 7.00-7.30 The Food Programme. 7.30-8.30 It's A Knockout. 8.20-9.00 Current Account. 10.45-11.15 A Secret Scotland. 11.15-11.17 News for Scotland.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-7.00 Scene Around Six. 10.45-11.15 In Tune. 11.15-11.17 News for Northern Ireland.

England—6.00-7.00 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). 10.45-11.15 London: A Throne of Kings; North (from Leeds) Weekend Out: North West (from Manchester) Champion Brass: North East (from Newcastle) A Likely Story; Midlands (from Birmingham) Countrywide: West (from Bristol) Tango In Old Time: South West (from Plymouth) Peninsula: South (from Southampton) Friday Looking Sideways: East (from Norwich) On Camera.

BBC 2

6.40 a.m. Open University.
11.00 Play School.
4.30 p.m. Cricket: First Test, England v West Indies.
6.40 Open University.
7.05 Mr. Smith's Flower Garden.
7.29 Weather.
7.30 Newsday.
7.50 Top Crown.
8.15 The Money Programme: The Middle Classes—how do they manage?
9.00 Pot Black.
9.25 Jazz Ship.
10.10 The Old Man and the Flower.
10.15 The Man Who Meant Well.
11.20 Newsnight.
11.35 Cricket: First Test (highlights).
12.05 a.m. Closedown: Robert Powell reads "Swifts," by Ted Hughes.

LONDON

10.00 a.m. The 21st Century. 10.25 Cartoon. 10.35 Kenny Rogers and the First Edition. 11.25 Kimba. 11.45 Larry The Lamb. 12.00 A Handful Of Songs. 12.10 p.m. Mr. Trimble. 12.30 Those Wonderful TV Times. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon Money-Go-Round. 2.20 Racing: Epsom Summer Meeting. 4.40 Cartoon. 4.50 You Must Be Joking! 5.20 University Challenge.
5.50 News from ITN.
6.00 To-day—The London Report.
6.35 Crossroads.
7.00 Sale of the Century.
7.30 General Hospital.
8.30 The Fosters.
9.00 Des O'Connor Entertains.
10.00 News.
10.30 Police Five.
10.40 Wheeltappers and Shunters Social Club.
11.30 Shannon's Mob.
12.30 a.m. Spiritual and Physical.

All ITV regions as London except at the following times:

ANGLIA

10.05 a.m. Halas and Batchelor Cartoon. 10.20 A Drop in the Ocean. 10.45 Tell Me Why. 11.15 Animated Classics. 1.25 p.m. Anglia News. 6.00 About Anglia. 10.30 Probe Special. 11.00 Mystery Movie: Columbo. 12.20 a.m. Men Who Matter.

ATV MIDLANDS

10.30 a.m. Halas and Batchelor Cartoons. 10.40 Survival. 11.05 Strange Report. 1.20 p.m. ATV Newsdesk. 5.20 Hogan's Heroes. 6.00 ATV Today. 7.00 Winner Takes All. 10.30 "The Wild One," starring Marlon Brando. 12.00 Wait Till Your Father Gets Home.

BORDER

11.05 a.m. Survival. 11.35 Skipper. 1.20 p.m. Border News. 6.00 Border [...]

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 5.20 Chuckleheads. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 The Adventurer. 7.00 Mr and Mrs. 10.30 Orson Welles Great Mysteries. 11.00 Banacek.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 6.01-6.15 Y Dydd. 10.30-11.00 Eisteddfod Genedlaethol Yr Urdd 1976.

HTV West—As HTV General Service except 1.25-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

9.08 a.m. Time To Remember. 10.14 UFO. 11.01 Tom Roberts—Australian Painter. †1.25 p.m. Road and Weather Report. 2.00 Housecall. 5.20 Pipet and his Friends. 5.25 Crossroads. 6.00 Scotland Today. 6.30 The Protectors. 7.00 Winner Takes All. 10.30 Ways and Means. 11.00 Late Call. 11.05 Late Night Thriller: "Phantom of Hollywood."

SOUTHERN

10.00 a.m. Untamed World. 10.25 "The Dangerous Days of Kiowa Jones." 1.20 p.m. Southern News. 2.00 Houseparty. 4.40 Bugs Bunny. 5.20 Pepe Le Pew. 5.25 Crossroads. 6.00 Day By Day (Channels [...]) 6.00 Scene South East (Channels 10, 43, 61 and 66 only). 7.00 Winner Takes All. 10.30 A Southern Report. 11.00 "The Screaming Woman" (TV movie). 12.20 a.m. Southern News Extra.

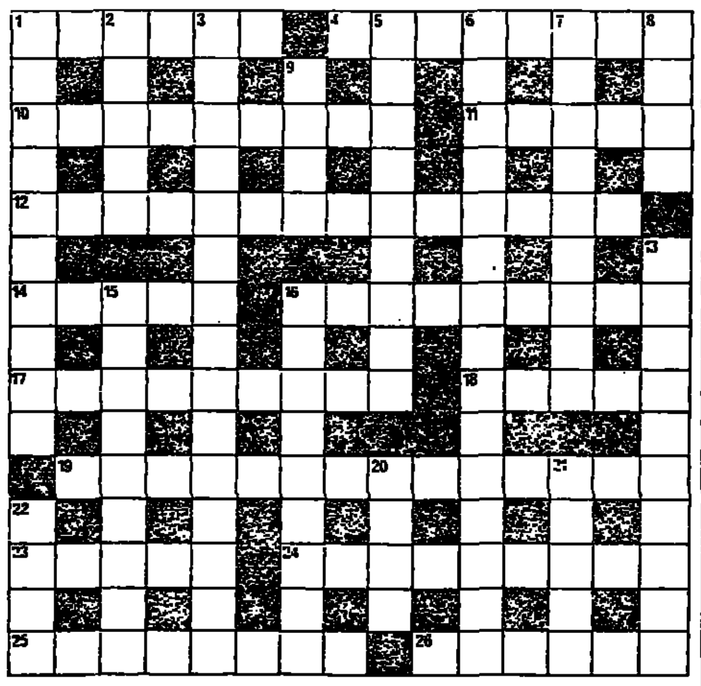
TYNE TEES

10.30 a.m. Starting Point. 10.35 Ed Allen Time. 10.55 Flower Stories. 11.10 Wild Life Theatre. 12.00 Here Comes The Future. 12.30 p.m. Out of Town. 1.20 Lunchtime News and Lookaround. 5.20 Winner Takes All. 6.00 Today At Six. 7.00 Those Wonderful TV Times. 10.30 Sportstime. 11.05 The Friday Night [...]

RADIO 1 247m

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 Ed Stewart (S) (also on VHF). 4.30 Anne Nightingale's Round Table. 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

F.T. CROSSWORD PUZZLE No. 3,096



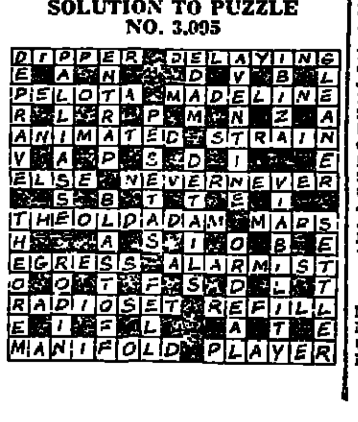
ACROSS

1 Be anxious going to ship and touch endearingly (6)
4 Restrain one side in strike (8)
10 The office of presbyter providing tree's fruit (9)
11 A short ration? Just a proportion (5)
12 Informing against middle organisation in hypermarket (8, 6)
14 Do as I say—it conceals a fertile spot (5)
16 Abuses badly and stands a round (9)
17 Lousy, or it may become so creating violence (9)
18 Goddess of peace shows anger going to north-east (5)
19 That is this clue (8, 6)
23 Projections on plate or bridge must be false (5)
24 Conclude school session in a note (9)
25 Niggard—before a Psalm (8)
26 Of late origin and concerning a coin (6)

DOWN

1 The place for royalty, clergy, titled people and others (10)
2 Travelled round exhibition of equestrian skill (5)
3 Collects by laborious effort or fiddles in concert (7, 8)
5 Subject and friend currently of interest (9)
6 Gangsters permit inner cars to be changed (8, 2, 5)
7 Change to make different and cater endlessly (9)
8 School located in Dorset only (4)
9 Avoid sergeant-major's attention (4)
13 Fools sent about a thousand for evaluation (10)
15 Ostentation from exhibition in oriental ship (9)
16 The rank of an examiner (9)
20 Standard providing no resistance to leader of men . . . (4)
21 . . . or a note to hold forth (5)
22 Stop a race (4)

SOLUTION TO PUZZLE NO. 3,095



ENTERTAINMENT GUIDE

OPERA AND BALLET

COLISEUM. 836 3161. Until July 17 NUREYEV FESTIVAL. Rudolf Nureyev will dance at every perf. Evgs. 7.30 Mat. Sats. 2.30 Until June 19: LONDON FESTIVAL BALLET. The Sleeping Beauty. Tonight with Ruanne/Nureyev. June 22 to July 3. Nureyev and Friends. July 5 to 17: The Scottish Ballet.

THEATRES

LYRIC. 01-437 3686. Evenings 8.00. Mat. Wed. 3.0. Sat. 5.0 and 8.30. JOAN PLOWRIGHT, JOHN MOFFATT, FRANK GRIMES in THE BED BEFORE YESTERDAY. A Comedy by BEN TRAVERS. "THE FUNNIEST SEX COMEDY IN LONDON." [...]

THEATRES

VICTORIA PALACE. 834 [...] Evenings 8.00. Wed., Sat. 6.00 and [...] TERRY SCOTT JUNE WHITFIELD A BEDFUL OF FOREIGNERS "GENUINELY HILARIOUS [...] exceedingly funny evening" [...]

[...]

ART GALLERIES

[...]

Bath Festival concerts

by MAX LOPPERT

That, slow, static melancholy which is the immediately noticeable characteristic of Elizabeth Lutyens' music was again heard in her new work for Bath, *Go, said the bird*, for the unusual combination of string quartet and electric guitar. A perhaps more remarkable feature than the familiar Lutyens conjunction or contrast of recitative and slow chordal change, is the success of its union of unlikely timbres and instrumetnal "personalities"—successful because precisely imagined and achieved.

The title, an image of the music borrowed from Eliot's *Four Quartets*, pictures the guitar trapped by the quartet "cage", and finally bidding for freedom. With the cool voice of the electric guitar, and liberal, delicate use of its pedalled changes of tone-colour, it is a sad, indeed a blue bird, now threading a wide-intervalled line, now tapping out the repeated note pattern that grows increasingly insistent. For all the strong Western overtones of the electric guitar, there is something of an oriental economy of colour, an etched quality of line about this short but not insignificant Opus 105.

It was sensitively played by the Chilingirian Quartet, with Mitchell Dalton a deft and poetic guitarist, although his quick changes of pedal provided some intrusive and disturbing clicks. This Wednesday lunchtime recital, also offering urgent but somewhat ill-disciplined accounts of Haydn's Op. 77 No. 2 and the Shostakovich Eighth Quartet was heard in the Bath Guildhall, which, for a normally non-musical auditorium, proved an uncommonly sonorous and helpful chamber for chamber music. Critics are sometimes chided for going on and on about acoustics, but the havoc an unsuitable hall can wreak on the wrong music was demonstrated with almost schematic completeness in the *Judas Maccabaeus* given in Wells Cathedral that evening by Richard Hickox and his singers and orchestra.

Judas Maccabaeus is not the most consistently inspired of Handel's oratorios, not the most dramatically characterised or richly coloured; it ought never to be the mushy muddle of this performance. During the evening, striving to catch the words (choral utterances being those most often reduced to incoherence), to hear the instrumental under-parts, one was tantalised by the feeling that listeners to the Radio 3 broadcast must be enjoying a lively, vigorous, strongly outlined performance. In the solos, it was easier to make contact, especially during "From mighty kings," with Felicity Palmer on most melting form. Philip Langridge sounded overparted as the hero, James Bowman at his ghostliest in "Father of Heaven"; but Stephen Roberts displayed an apt sense of style, blurred by an ungainly top A at the end of "The Lord worketh wonders." The bright, true sound of the Wells Cathedral boys in "See the conquering hero" pierced, strongly but only temporarily, the worthy, foggy air of the evening.

New London

Leave Him to Heaven

by B. A. YOUNG

Ken Lee's script is simply a device to present forty-odd rock and roll hits from the late fifties and early sixties. It traces the career of a teenage boy who is moulded by a manager and his team into a singing star; and it does so with a clever blend of sympathy and mockery. The boy (somewhat big, somewhat mature in Brian Protheroe's otherwise admirable creation) is fitted out with a name, Conway Terle, a succession of garish suits and a public life, and ends up a hero.

True, he collapses at one concert when the strain is too much for him, and seems so dead that he is lifted into a purple-lined coffin and posed there with his microphone and his cosmetics. "Dead!" exclaims his manager reverently. Nature's way of telling him to slow down." But in no time he comes to life again and resumes his rock singing with such vigour that young, and not so young, people from the audience begin incontinently to dance in the aisles, and subsequently on the stage, where for all I know they still are.

The songs of this period are better to listen to than the songs of the post-Beatle age. They are more tuneful and more varied, and though many of them are ineffably silly ("Teen Angel," for example, and "Tell Laura I love her") they do not pretend to bear messages of social or political importance. As arranged here, the songs in the first part deal with love, those in the second with God (surprising how much belief there was about at this time) and those in the third part with death, sometimes violent death in a stock car race or a motorcycle crash, but always ending in heaven.

They are so well sung by this company under Philip Hedley's direction that those who wish to take them seriously—and the house was full of them, many in their Teddy-boy outfits—can do so, whereas those who cannot resist looking for the innate absurdities can find them cunningly exposed. There are ten singer-actor-dancers beside Mr. Protheroe, and if I single out for mention the names of Larry Dann, Steven Pacey, Nicky Croydon and Sue Bond it is only because at some moment in the evening they gave me some particular moment of pleasure that I noted in my programme. On a platform upstage in Ken Lee's suitably flamboyant set sits a five-piece group making the proper noises through microphones.

Those songs, easy to mock, filled a genuine need in the lives of the young people of the time in a way that to-day's songs, so much more obviously the product of commercial production-lines, do not seem to me to do. You can parallel the idiocies of "Teen angel" a dozen times in the Deaths column of many a provincial newspaper. Pristine rock was musical Coca-Cola, musical Modesty Blaise, musical speedway racing, musical Barbara Cartland, bringing simple pleasure to simple people. I don't think I should like anyone who didn't find some enjoyment in *Leave Him to Heaven*.

St. George's, Tufnell Park

Romeo and Juliet

by MICHAEL COVENEY

It is a good idea for Friar Lawrence to speak the prologue. And, given Joseph O'Conor's superb performance in the part, one feels at the end of George Murcell's 3½-hour production (Shakespeare's traffic in a jam?) that this modest directorial stroke is the best of the evening. For in Mr. O'Conor's troubled, subtle playing resides the crucial tragic sense of the interpretation. This Friar is chidingly admonitory when he learns that Romeo has been struck by Juliet's beauty at the Capulet ball, and the foresaken Rosaline becomes a strong offstage presence.

Peter McEnery as Romeo and Sarah Badel as Juliet are powerful collaborators to Mr. O'Conor in the spinning of the tragic yarn, yielding fascinating contrasts of approach: Mr. McEnery is dashing and romantic, squeezing marvellous sense from a part that is so often a graveyard of fresh-faced good intentions. Under the centre stage balcony (so much better located in C. Walter Hodges' neo-Elizabethan design than at Stratford this summer) Romeo hallucinates the appearance of his beloved, dismisses the mirage as the dazzle of a setting sun before being shaken from reverie by the beautiful reality. And in a play where so much hinges on images of fantasy and actuality, the response is reverberative.

Sarah Badel displays a consummate technical prowess once you have survived the shock of being told that she is pushing 14. At one point last night Miss Badel lost her way as the Nurse (Rosemary Leach) informed her of Romeo's banishment after the brawl was over. She recovered magnificently and continued to sustain a magnetic and authoritative account of a young girl whose passions are exposed to the petty conniving of a sectarian war.

Aside from these three performances, the rest is fairly dismal. Two visits to this venue suggest that, acoustically, the converted church leaves a lot to be desired. It is not enough for Mr. Murcell to defend the virtues of plain Shakespearean speaking if: (a) we do not know how actors sounded in Shakespeare's day; (b) much of what is said is inaudible; (c) much of what we *do* hear is, unfortunately, downright plain. The last complaint is really levelled at the sort of acting among the senior ranks of Montague and Capulet that may have been good enough for Donald Wolfit or Robert Atkins but carries, as the Americans would say, little clout with contemporary audiences anxious to enjoy a perennially fascinating play.

Prospect's 'Iliad'

Prospect Theatre Company have secured the dramatic rights of Christopher Logue's version of the *Iliad*. The company is commissioning Mr. Logue and the composer Donald Fraser to collaborate on a production presented by the company later this year.

Ruby Braff at the Seven Dials

American cornettist Ruby Braff will appear at the Seven Dials, Shelton Street, London, W.C.2, on Thursday, June 17. Accompanying him will be Lennie Felix (piano), Bernie Cash (bass) and John Richardson (drums).

Cherie Lunghi, Nickolas Grace and shepherds and shepherdesses in the Royal Shakespeare Company's new production of 'The Winter's Tale,' which opened last night at Stratford-upon-Avon

Cinema

Glittering prizes

by NIGEL ANDREWS

There were two glimmers of sanity among the prizes at this year's Cannes film festival, which otherwise must vie with the awards list recently proffered by our former Prime Minister as the most mystifying collection of accolades ever thrust upon the shoulders of their doubtfully grateful recipients. How Martin Scorcese's patchy and ponderous *Taxi Driver* scooped the Golden Palm we shall never know. Nor how Dominique Sanda won the Best Actress award, for one of her most languidly inexpressive performances, nor how Carlos Saura's desultory *Cria Cuervos* shared the Special Jury Prize with Eric Rohmer's more deserving *Marquise d'O*. The only category of award which came away with an unblemished record was the International Critics Prize. This went to two German films, Alexander Kluge's *Ferdinand the Radical* and Wim Wenders' *Kings of the Road*, that would have graced any festival, and that in one which sagged as badly in the middle as this one, provided a gratifying and much-needed lift at the close.

Ferdinand the Radical is that rarity: a political film with a sense of humour. It tells the story of one Ferdinand Rieche, a middle-aged man bent on a single-handed reform of the law and order system in West Germany. He is promoted from detective-lieutenant in the police force to security chief in a big multi-national factory. Here his zeal for his work gets the better of him and instead of saving the firm from sabotage and edition, he becomes a No. 1 security risk in his own right: staging disastrous field exercises with his quasi-military troops, groundlessly accusing the firm's vice-president of treachery, and finally taking a pot-shot at a passing cabinet minister to prove to all and sundry the necessity of nationwide security precautions.

The sly humour that was an undercurrent in *Occasional Work of a Female Slave* here rushes to the surface, and with the aid of an irresistibly pompous performance from Heinz Schubert (well known, apparently, as a comedian on German TV) the film hits one satirical target after another with stinging accuracy. That totalisarianism begins in paranoia, that the one thing worse than too little law and order is too much, that a country's self-styled saviours often turn out to be its worst enemies—all these propositions are demonstrated with a spry and mischevious wit that one wishes Kluge could share around with some of his fellow political film-makers. Kluge makes no secret of his Left-wing allegiances, but neither does he let them cramp his comic style: and what results is a film that works not just as a piece of topical (and therefore perishable) polemic but as a brilliant social comedy in its own right.

Wenders' *Kings of the Road* also sets out to probe the soul of modern Germany: not, like Kluge's film, in a spirit of mordant satire, but with the gentle, allusive eye of a poet. Wenders' films invariably take the form of a journey, and like *Alice in the Cities* and *Wrong Movement*, *Kings of the Road* is an odyssey across Germany whose destination is as much spiritual as geographical. Wenders' heroes are, in the time-honoured phrase, "looking for themselves;" and the two young men who meet up and journey together in this film—one a travelling cine repair man (Rudiger Vogeler), the other a young man fleeing from a broken marriage (Hans Zischler)—find a raport in their common sense of social and emotional exile.

The route their journey takes is significant — the frontier between East and West Germany. But although the film is partly a meditation on the shadow line between freedom and various forms of social bondage (domestic, professional, political), its three-hour length allows the film to stray so often from the allegorical straight and narrow that Wenders ends up by producing a rare and fascinating hybrid: a semi-improvised film (director and actors wrote the script as they went along) that is also wholly coherent in mood and tone, and wholly consistent with Wenders' other work.

Time will tell, but I suspect that Wenders' vein of picaresque, open-air realism will outlive the hothouse stylisation of Fassbinder. Like Fassbinder's films, *Kings of the Road* is packed with movie references (to Fritz Lang and Howard Hawks, to Antonioni's *The Passenger*). But they're not, as in Fassbinder, a kind of Good Film-making seal of approval. Wenders uses movie myth as a means of cutting his own characters down to size. Far from being tough "men's men" in the Hemingway-Hawks tradition—as we are first led to believe—his heroes are gradually revealed to be timid males in flight from women: lacking the courage, or the capacity for compromise, needed to sustain a long-term sexual relationship. Wenders' film is at once a tribute to, and a critique of, the male buddy tradition in American cinema (of *Butch Cassidy*, *The Sting*, etc.): celebrating its freedom and exuberance, but also condemning its implicit misogyny.

The film unfolds in a series of almost deadpan, melancholy-comic scenes. Dialogue is minimal, and the burden of communication is carried by the images, starkly and beautifully photographed in black and white: the first glimpse of a coolly suicidal Zischler (later nicknamed "Kamikaze") driving his car straight into the middle of a river; the shadow play the two heroes improvise behind a cinema screen when the projector breaks down and the auditorium is full of restless, chattering kids; the loving way in which the camera dwells on every minutia of the two men's daily routine, from eating and drinking to washing and shaving. (And even, in one disarming alfresco long shot, defecating). The film is funny, exuberant, thoughtful, lyrical by turns; and since I am reliably informed that it is coming to London's Gate cinema at the end of the summer, I make no apology here for offering a long and enthusiastic trailer.

*

Michel Brault's *Orders* (Phoenix, East Finchley) is also from Cannes, but this time a belated arrival from last year's festival. It's a kind of drama-documentary, using actors to portray real-life victims of the Canadian War Measures Act of some years ago, when several hundred people were rounded up and imprisoned after the Quebec kidnappings and killings. Though well-intentioned, the film doesn't really work. It begins with the actors diligently explaining to the camera that although they are actors they are playing "real" people and re-enacting "real" events. But with one foot in reportage and the other in dramatised recreation, the film's stance is hopelessly ungainly, and the awkwardness of the treatement is compounded by the flimsiness of the content. Although the film makes outraged noises at the Canadian Government's actions, nothing we see done to the prisoners is unduly harsh (except the mental cruelty to one of a threat of execution), and one is left at the end still asking the pertinent question: what *should* a Government do when it is confronted with a sudden and formidable campaign of civil terrorism?

Mes Petites Amoureuses (AA, Continentale) is a new film by Jean Eustache, who made that 3½-hour epic about Parisian sexual maners *The Mother and the Whore*. The new film is more modest both in scope and in achievement: the story of a young boy whose adolscecence is spent shuttling between his grandmother in town and his widowed mother in the country, and who understandably finds the adult world a fairly elusive and unwelcoming place. The film unfolds in a series of terse, laconic scenes punctuated by fade-outs: the undemonstrative style compounded by a tendency to Bressonian monotone in the actors' delivery. Feelings are kept under wraps, as no doubt benefits a study in emotional isolation. But so unfortunately are the director's intentions, and one is unlikely to emerge any the wiser at the end of the film than at the beginning as to precisely what Eustache is trying to tell us.

Hanns Zischler in 'Kings of the Road'

Sadler's Wells Theatre

Lulu

by CLEMENT CRISP

Frank Wedekind's *Lulu* plays chart the amorous career of a music-hall dancer. They shocked their first public by reason of their matter, and also because of the bitter comedy, with its overtones of horror, that the author extracted from a hitherto "unmentionable" subject. To-day the subject causes nary a raised eyebrow: it has lost its moral basis, and Jack Carter, in his new ballet for the Royal tourers seen on Wednesday for the first time, *has had to adopt* other tactics to make some sort of point. What that point is remains something of a mystery. Subtitled "six scenes from her career," this *Lulu* looks an uneasy combination of Feydeau and *grand guignol*. For the sections danced to Milhaud's *Le Boeuf sur le toit* we are treated to a frenetic sequence of incidents involving Lulu with a cohort of admirers, a kind of comic strip-tease in which Merle Park passes through the hands and attentions of a variety of grotesque male companions.

None of them has much substance, despite the skills of John Auld, Murray Kilgour, Alain Dubreuil, David Morse, Peter O'Brien and Brian Bertscher, who are variously disposed of in scenes of passion and low farce. Pistols, easels, a troupe of music-hall dancers, cardiac arrest and what looks like a day-trip to Lesbos, are the ingredients of dance-sketches whose brevity will never pass for wit.

With *Le Boeuf sur le toit* exhausted, Mr. Carter turns to Milhaud's dreary *Concertino d'Hiver* for trombone, to London fog and Jack the Ripper as the final assignation. The mood is darker, the theatricality more sure, and albeit Lulu's murder is more explicit than artistic, the piece ends on a strong note—largely due to Merle Park's pathos and Stephen Jefferies' menacing and splendid presence as the Ripper

The ballet, in sum, is a muddle. It gains some merit from the quality of Miss Park's always stylish playing, and the boisterous support of the rest of the cast, but it is too self-indulgent in substituting jokiness for choreography. Norman McDowell provides design entirely in keeping with the work's character.

The programme also included my first viewing of the Touring Group's *Raymonda Act III*, very creditably done. Margaret Barbieri is a beautiful, elegant Raymonda—though the Royal Ballet might note that the hand-claps that begin Raymonda's cimbalom solo are considered very bad style in Leningrad: the fingers should simply brush together—and Desmond Kelly is a noble and attentive Jean de Brienne. Among the supporting dancers, Paul Waller makes a fine impression in the men's quartet, and the company, though rather crowded on the Well's stage, maintains the *rhythmic vitality of the Hungarian dances*.

Collegiate Theatre

Snegourochka

by RONALD CRICHTON

Rimsky-Korsakov's early opera *Snegourochka* or *The Snow Maiden* (Petersburg, 1882) used to be a favourite at Sadler's Wells. Compared to the excitement of getting to know *Boris Godunov* and *Prince Igor*, Rimsky's fairy-tale in those days seemed a shade pallid, yet in Wednesday's performance by the Royal Academy of Music it came as an enjoyably refreshing experience. *Snegourochka* is a number-opera as innocent of the influence of Wagner as anything could well be at that period. The dramatic pace is gentle, as in Rimsky's much late *Golden Cockerel*, but while the ambling is irritating in that supposedly sharp satire, it matters little in this adaptation of a symbolic tale by Ostrovsky. The snow maiden is the daughter of Winter and Spring; she wants to love but does not know how—when her mother grants her the power of reciprocating warmth she is touched by the sun's rays and melts away.

— With the exception of the splendid final hymn to the sun, excitingly built up by the student *chorus and orchestra* under Mark Elder (whose conducting throughout a longish evening showed strong sense of shape and direction in a score nobody would describe as taut) Rimsky's pantheism is mild. Though much of the opera is about the forces of nature, the most touching moments are the human episodes—for instance when the shepherd Lel turns down Snegourochka in favour of the village beauty, Coupava, or when the rich young merchant Miskir makes his declaration to Snegourochka to the accompaniment of softly clashing percussion. But all through there is an unfailing spring of melody and an infallible touch in the orchestration, as colourful as it is transparent. Even with young English voices mostly lacking anything remotely resembling Slavonic timbre, every word of the (anonymous) translation came through.

The singers had been carefully prepared—Rimsky's vocal *writing* is as *grateful* as his orchestration, but needs voice and style. Lorna Washington sang capably and truly in the title-role, which assumes a blend of innocence and mystery only found once in a while in exceptional lyric sopranos like Maggie Teyte or Dora Labbette. Claire Powell delivered Spring's invocation to her daughter imposingly—she has the gift of making words sit naturally on a musical phrase. Christine Taylor as Coupava came nearest *to Russian models both in* strong attack and in a suggestion of unsteadiness. Anne Mason found the right simplicity for shepherd Lel's bag of tunes.

There was good, firm, unforced singing from Nicholas Folwell as Miskir, the baritone lover, and from Derek Barnes as the kindly old Tsar Berendey, a character tenor part demanding a high voice of great purity. Graham Vick produced simply and well in bright, ingenious folk-style sets and costumes by Russell Craig. The Dance of the Tumblers, the only number in *Snegourochka* which everyone *knows*, was effectively done by the Troika Ensemble. Further performances tonight and Saturday.

Balcon gift to the BFI

Sir Michael Balcon has marked his 80th birthday with the gift to the British Film Institute of his unique *collection of film* documentation and stills. The collection, belonging to Sir Michael and Lady Balcon, includes documents of all kinds connected with Sir Michael's 50 years in the film industry, which ended with his retirement in 1972.

Sunshine opens arts festival

The 1976 Holm Cultram Abbey Festival of the Arts opens with a concert by the Monty Sunshine Jazz Band on Sunday, June 6. The arts centre is at Abbey Town, Carlisle.

New chairman for Sadler's Wells Theatre

After 14 years as chairman of the Sadler's Wells Foundation, Mr. David McKenna has resigned, to be replaced by Sir Roger Falk who has himself been a governor since 1972.

WORLD TRADE NEWS

Brazil expects steel plant to beat completion date

BY DAVID WHITE — RIO DE JANEIRO, June 3.

BRAZILIAN Government officials are hopeful that an integrated steelworks in Minas Gerais, costing more than $1.8bn. and involving British and other European companies, will be ready at least a year ahead of the original completion target.

Finance for $1bn. of the total was negotiated during President Ernesto Geisel's visit to London last month. Arranged by a consortium of banks made up by Morgan Grenfell, Banque de Paris et des Pays-Bas, Dresdner Bank and Credito Italiano, the money is to come half from Eurocurrency loans and half from export credits from the four supplier countries.

The group of companies involved in the construction contracts will be headed by Davy Ashmore's international division, alongside Ferrostaal of West Germany, Confransid of France and Italimpianti of Italy. Slightly more than $1bn. under the original plan is accounted for by the cost of equipment, of which the Brazilians intend to supply half from locally-based manufacturers.

The European companies and banks are due to take a 20 per cent. stake in the company, Açominas. The remainder of the equity capital, set at $800m., will be split between various Government bodies, with the federal Government holding 40 per cent. through its Siderbras steel holding group (which in turn owns the Minas Gerais steel company Usiminas). Minas Gerais state will hold 20 per cent., the other 20 per cent. going to the mixed-stock iron mining group Companhia Vale do Rio Doce.

The project was officially inaugurated in February at Ouro Branco, 70 miles from Belo Horizonte and close to the spot where a certain Baron Eschewege established Brazil's first pig-iron smelting operation in 1812. A steel project has been under discussion there since 1918.

The main construction work is expected to get under way in August, with completion of the 2m.-metric tons-a-year first phase set for 1980. This stage includes a 2,700 cubic metre blast furnace and a sintering plant with a capacity of 2.9m. tons a year.

In its second stage the plant, which will employ 5,600 people, is due to start production of flat rolled steel as well as profile steel. Present plans are for an eventual output of 6m. tons a year—two-thirds of Brazil's current production rate—and possibly 8m. tons.

The total of foreign credits, which will cover imported equipment and foreign suppliers' construction costs, is slightly less than the $1.16bn. which Government authorities had initially hoped to borrow abroad for the project. But the Brazilians are clearly very pleased with the outcome of the negotiations, which follow several years of discussions, during which they also tried to interest U.S. and Japanese concerns.

With the Açominas plant, the state of Minas Gerais will house more than half Brazil's steel output in the early 1980s. The state plans to produce 16.5m. metric tons in 1982, by which time the state-owned Usiminas is scheduled to expand from 2.5m. tons to 6m. Other expansion programmes are planned by Mannesmann, subsidiary of the West German group, and Acesita, and the Brazilian company Mendes Junior plans a new steel mill at Juiz de Fora.

The Brazilian Government aims to reach self-sufficiency in steel before 1980, when it intends to have doubled production to 20m. tons a year. Projects for steel exports after then are on the drawing-board.

Boost for tractor output

BY SUE BRANFORD — SAO PAULO, June 3.

PRESIDENT GEISEL has opened Ford do Brasil's new tractor plant in Sao Bernardo do Campo on the outskirts of Sao Paulo, which should produce 4,900 tractors this year.

By 1977, output should reach 11,000, with one shift of workers. If required, production could thus readily be doubled, and even without this, Ford should become one of the larger tractor manufacturers in Brazil. At present, Massey-Ferguson dominates the sector, with an output of 29,433 tractors last year.

This is Ford's second attempt at manufacturing tractors in Brazil. The first plant, which went on stream in 1961, was closed down in 1967 after manufacturing a total of 12,400 tractors.

The main reason for shutting down the plant was general recession in the Brazilian economy at the time, which had created a serious credit shortage among farmers. Somewhat ironically, Ford may well face similar problems this time.

In the long term, however, prospects are undeniably good. Although official figures are contradictory, it would seem that Brazil has about three tractors per 1,000 hectares, as compared with 50.4 tractors in the U.K. and 124.9 tractors in West Germany.

British missions seek to close trade gap with Japan

BY OUR ASIA CORRESPONDENT

CHAMBERS of commerce from London, Manchester, Merseyside, Edinburgh and Northern Ireland are among more than a dozen British missions going to Japan before the year-end in an attempt to boost exports and close the huge gap that has grown in Britain's visible trade with Japan.

Last year British exports to Japan fell by 3 per cent. to £308m., while Japan's sales to Britain rose by more than £100m. to £672m., bringing the deficit on visible trade to more than the value of British exports. The £365m. gap compared with £251m. in 1974.

Although British trade with Japan is small and the Japanese market a difficult and somewhat closed world because of the different language and customs of the Japanese, in the last 12 months British Ministers, alarmed at the growing trade gap, have made determined efforts to encourage exports.

Mr. Peter Shore, then the Trade Secretary, visited Japan last year, and Mr. Anthony Crosland, the Foreign Secretary, was there last month. Trade was high on the agenda of Mr. Crosland's official discussions in Tokyo, and the Foreign Secretary said before leaving that prospects for exports to Japan had been distinctly improved with "the present undervaluation of sterling."

Japan is the third largest trading nation in the world, but Britain's sales there are only 2.5 per cent. of its total exports. By way of comparison exports to the U.S. last year were £1.76bn.

But the latest official drive seems to be having results. There are more missions lined up to visit Japan during the rest of the year than in previous years. Besides the teams from the various chambers of commerce, the Furniture Manufacturers' Export Club is at present in Japan, and the Food Export Council, Leather Goods Manufacturing Association and Building Materials Export Group are scheduled to go.

The London Chamber of Commerce Far East business tour will leave on October 3 and will also spend time in Hong Kong and Singapore. The cost of the 17-day tour is £665 and includes the air fare and hotel accommodation.

In its Press release the London Chamber quotes official hopes that the Japanese market will be worth £1bn. to Britain by 1980.

A tough competitor for the West

BY DICK WILSON

A SOBERING but not frightening portrait of the West's "Japanese competitor" — tough, but not necessarily unbeatable — is painted in a new Financial Times publication.

An exhaustive discussion of Japanese industry's competitive strength begins with profitability. Although companies traditionally disguise their profits by boosting reserves and allowances in their public accounts, Japanese companies are highly profitable. The official results for 1975 of firms in the first sector of the Japanese stock exchange showed a return on assets averaging 7 per cent. Yet the real profits estimated by independent analysts for these companies ranged from 12 to 25 per cent.

For foreigners to compete on Japan's home ground "requires a unique technical advantage—as possessed by IBM and Nestlé—or a marketing capacity and skill (as in fast foods)," says author enry Stokes. Bendix Corporation is quoted as the only successful case of foreign takeover of a Japanese firm.

The next advantage of the Japanese competitor is high productivity. The value added per man in the British motorcycle industry last year was £4,200, against £1,000 in the case of onda. It is not a question of cheaper labour, since Honda's wages were half as high again as British when fringe benefits are included. This in turn is linked with high fixed assets per employee, which were £7,191 in the case of Toyota in 1974 against £959 in British Leyland.

The Stokes book has some sharp words to say also about overmanning. "ICI have almost five times as many employees as the Mitsubishi firms" in chemicals, with a 1974 turnover only one and a half times the Japanese company's.

But several Japanese industries are currently doing badly. Chemicals have been hit by the high cost of naphtha following the oil crisis, and the aluminium industry is also affected by the high cost of electric power in Japan.

Textiles are also contracting, and it is felt that a third of the present capacity will have to be shut down.

As for Western exports to Japan, this study holds out "little hope for foreign auto makers." The 1980 demand for passenger cars will be 3.4m., of which only 0.14m. will be imported, and for 1985 imports will be only 300,000 out of 3.7m.

'The Japanese Competitor, by Henry Stokes. Financial Times Publications, £50.)

W. German investment 'attracted to U.K.'

BY CHRISTOPHER DUNN

THE LIKELIHOOD of West German companies buying into the U.K. has greatly increased recently, with smaller concerns showing a particular interest. The favourite target sector is likely to be metal-working, including steel and non-ferrous metals, and the low price of domestic steel is a major attraction.

This was stated yesterday in London by Herr Wolff von Amerongen, president of the Association of German Chambers of Industry and Commerce.

He quoted favourable labour costs, the "concerted action" between the Government, the TUC and the CBI, and favourable levels of sterling as the principal reasons for this enthusiasm. No single investment route was identified, but the acquisitions should not be too big, so as to avoid nationalisation. The President added that few countries could offer such security for investments.

Herr Wolff did not consider that surplus German capacity would affect the strategy. There was no direct link, he stated, between this and German concerns going to the market overseas, and he cited Volkswagen's decision to build a factory in the U.S. as an example; production costs in Germany were now very much higher than in the U.S., and this, by implication, made the project commercially viable.

Herr Wolff also reckoned that there was increasing apprehension in Germany over the competitiveness of U.K. exports, especially consumer goods.

Later, Sir Monty Finniston, chairman of British Steel, commenting on German investment intentions, said that if they materialised the U.K. would have to accommodate them.

"When we joined the EEC, they also joined us," he stated, adding that BSC had recently bought its way into German steel stockholding.

● West Germany is to establish a footing in the Australian market by opening a German chamber of commerce and industry in Sydney next year. According to Herr Lando Lotter, formerly deputy director of the German chamber in the U.K. and recently appointed director of the new Sydney chamber, West Germany plans to challenge Japan and the U.S. in Australia, especially in the field of sophisticated technology. "Australia is looking for an European alternative to Japan and the U.S. and we could well fill that gap," he remarked.

Nippon sells pig iron to British Steel

TOKYO, June 3.

NIPPON STEEL said it has arranged to supply British Steel with 50,000 tonnes of granulated pig iron. The export will help remedy Nippon Steel's pig iron surplus position resulting from crude steel production cutbacks.

The company added this is its first export of the material to such an industrialised nation. The iron is destined for British Steel's Sheffield works. Reuter.

Venezuela oil for Barbados

By David Renwick

PORT OF SPAIN, June 3.

VENEZUELA has just concluded its second deal with a Caribbean Community (Caricom) member to supply oil at preferential prices.

An agreement signed in Bridgetown between the Venezuelan Foreign Minister, Sr. Ramon Escovar Salom, and the Barbados External Affairs Minister, Mr. George Moe, provides for Venezuela to supply oil to Barbados at the pre-oil crisis price. The difference between that and the present price—in Barbados' case about $B45m. ($US22.5m.)—will be regarded as a loan for procuring Venezuelan goods and services.

A similar arrangement was worked out last year with Jamaica which was given a rebate $J34m. on its Venezuelan oil purchases.

Dr. Eric Williams, Prime Minister of Trinidad and Tobago, the only oil producer in Caricom, has criticised these special deals, describing them as an effort by Venezuela to replace Trinidad and Tobago as the supplier of oil to the Caricom region.

The President of the Caribbean Development Bank, Mr. William Demas, recently commented adversely on bilateral economic arrangements between individual Caricom members and third party countries, saying that such deals disrupted the efforts at internal integration within the region.

Hitachi-Toshiba provides generators

By Joseph Mann

CARACAS, June 3.

A JAPANESE consortium of Hitachi-Toshiba yesterday signed a $60.2m contract to provide ten giant generators to the Venezuela Government's Guri hydro-electric dam in Guyana.

Edelca, the State-owned concern which controls the Guri facility, said that the new turbo-generating units would be among the largest in the world, and that only the Grand Coulee Dam in the U.S. had generators of comparable size.

AMERICAN NEWS

Reagan hints at troops for Rhodesia

BY JUREK MARTIN, U.S. EDITOR — SAN FRANCISCO, June 3.

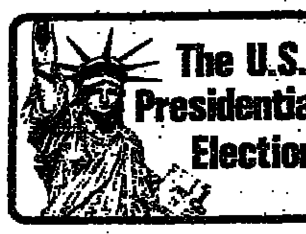
MR. RONALD REAGAN, the former Governor of California, appeared to suggest yesterday that, if elected President, he would consider sending U.S. troops to Rhodesia to avert civil war there.

His remarks were made at a Press Club lunch in Sacramento, the California state capital. Later in the day he tried somewhat frantically to correct what he claimed was misreadings of what he had said. He repeatedly asserted his confidence in the principle of democratic government for Rhodesia and of the inevitability of black majority rule.

But his comments starkly underline one key fact—that if Mr. Reagan loses next Tuesday's primary here and thereby forfeits all chances of beating President Ford for the Republican Party nomination then it will be because of public fears of his own shortcomings and not because of the competitive appeal of Mr. Ford.

To all intents and purposes, Mr. Ford has written off California. He last campaigned here nine days ago and almost certainly will not return before polling day. He has surrogates working for him here, among them his wife, son and a clutch of Cabinet members. He also has a new slick line in television commercials pounding the airways in this archetypal media state and selling him much as other commercials sell detergents.

But the Ford strategy, dictated in part by budgetary spending ceilings, is now to nail down expected victories in Ohio and New Jersey next Tuesday, thus



offsetting the Californian haul of 167 convention delegates that go en bloc to the winner of the primary here. Even Mr. Reagen has picked up this point, to the extent that he is leaving California at the weekend to stump for support back in New Jersey.

The best Ford hope in California seems to be that of respectability. Mr. Ford's advisers are aware of the extraordinary state of affairs which compels an incumbent President more or less to cede his own party's primary in the most populous state of the union to a challenger even though the opponent is a favourite son and former Governor of the state.

They are also aware that if Mr. Ford gets thoroughly thrashed here then the task of winning over the allegiance of those still uncommitted delegates, without which Mr. Ford cannot take the nomination, will be that much more difficult.

It is possible that Mr. Reagan is his own worst enemy. My own impressions from the long holiday week-end spent in mostly affluent middle-class Republican company in the San Joaquin Valley farming towns confirm this. Mr. Ford was literally never the subject of conversation; he inspired no enthusiasm, and indeed nothing positive, in any of the people I talked to, most of whom held simply no opinion at all of the President of the United States.

Mr. Reagan on the other hand was very much on people's minds. His anti-big government stance attracts much support and his espousal of standard conservative creeds, such as the restoration of prayer in the school rooms, touches many people.

But that is matched against a nervousness about what he would do as President. The depth of this concern is all the more surprising since, as a two term Governor, he is better known here than in any other part of the country. Many Republicans, moreover, mutter unhappily about the Goldwater fiasco 12 twelve ago and wonder whether Mr. Reagan might be leading the party down the same path to political disaster.

His comments on Rhodesia may only serve to underline this apprehension. These remarks which might be construed differently in other parts of the country—in the South and South West, for example, where both Mr. Ford and Dr. Kissinger have been pilloried for having allegedly committed at the potential massacre of Rhodesian whites.

But California, for all its conservative proclivities—many of its citizens south of Los Angeles, is a more sophisticated, contemporary state. It gave birth to the movement to end American involvement in Vietnam. Perhaps because it is so consumed with its own affairs there seems to be a degree of scepticism prevailing towards advocates of American jingoism, at least outside Mr. Reagan's heartland of Orange County.

Thus while Mr. Reagan appears to be a solid favourite to win here on Tuesday and to keep very much alive his bid for the nomination, it is conceivable that Mr. Ford's low profile minimum risk strategy will pay some dividends.

Bechtel experts make appraisal of Come-by-Chance refinery

BY ROBERT GIBBENS — MONTREAL, June 3.

A TEAM of experts from Bechtel Coropration is making a full appraisal of the bankrupt Shaheen oil refinery at Come-by-Chance, Newfoundland, on behalf of undisclosed clients and the Clarkson Company, receivers, has said that its work will continue for another two or three weeks.

"They are acting as professional advisers for bonafide clients," said Clarkson vice-president, J. D. Morrison, yesterday, adding that the experts are from the American end of the big Bechtel consulting organisation.

Clarkson wants to sell the refinery, in the right circumstances, and the detail is has amassed as receiver is being made available to Bechtel, as it would to any other bonafide potential buyer.

Mothballing of the major production equipment has been completed and the secondary stage of shutdown, such as compressors and other equipment, is now under way with completion set for August. Clarkson has a team from the British Petroleum group supervising this for them. The refinery, which employed about 500 when operating, now has only 108 workers, dropping to about 40 by the end of August.

Clarkson will not reveal for whom Bechtel is making its appraisal. Oil industry rumours have mentioned Petrocan. BP will have a very complete knowledge of the refinery, and if interested in its future, would make its own appraisal. Denison Mines, the big uranium producer with a western oil production subsidiary, has also expressed potential interest

Hills warns on oil divestiture proposal

Forced divestiture of the major oil companies would create complications that could take many years to unravel with no guarantee that money exists to pay for divested interests, Securities and Exchange Commission (SEC) chairman Roderick Hills has said in Washington, AP-DJ reports.

Mr. Hills, leading an array of top administration officials, told the Senate Judiciary Committee that 18 major oil companies could fall within the requirements of a Congressionally - drafted Divestiture Bill.

The SEC chairman warned that past experience has proved that divestiture is a time-consuming, legally complex move that could eventually cause as many as 30 separate oil companies to be offered for sale.

Gen. Torres murdered in Argentina

By Robert Lindley

BUENOS AIRTS, June 3.

THE BULLET-RIDDEN body of General Juan Jose Torres, former Left-Wing President of Bolivia, was found yesterday under a bridge near Buenos Aires, it was revealed here to-day.

General Torres, de facto Bolivian President during the 10 months before August 1971, when he was deposed by the armed forces, led by General Hugo Banzer, left his flat here Tuesday morning to get a haircut.

The body was found with the eyes blindfolded near the town of an Andres de Giles, 60 miles west of here. Gen. Torres was aged 56, and had lived here in exile since he was toppled.

At a hurriedly-called news conference last night the Argentine Interior Minister, Gen. Albano Harguindeguy maintained that there was an international campaign to discredit the Argentine military regime.

He said that the regime had received a wave of letters, especially from Europe, appealing on behalf of alleged prisoners. "Those letters," he continued "come with information which is absolutely false, others with requests for the release of persons who have never trod on Argentine soil. . . The Argentine Government has said, and repeats now, that it totally repudiates violence

Canada may take federal action on incomes plan

BY VICTOR MACKIE — OTTAWA, June 3.

THE CANADIAN Government may decide to act without provincial consent to provide the country's 500,000 working poor with guaranteed annual incomes, Welfare Minister Marc Lalonde suggested to-day.

After a two day Welfare Ministers meeting, the last in a series of eight during the past three years, he indicated that the Federal Government is "determined to go ahead with a programme to help the working poor." If provinces were unable to agree to proceed with the plan, the Federal Government would "seriously consider" acting alone, possibly by providing income-tax credits to those who earn less than they need to cover basic living costs.

Mr. James Taylor, Ontario Social Service Minister who sat silent throughout much of the conference (which was closed), said afterwards that his province is "not happy" with the proposed plan and could not accept it. Several Ministers said that any final decision to proceed with the guaranteed income plan for working poor and so called unemployable people must be made by their Premiers when they meet Prime Minister Pierre Trudeau in Ottawa on June 14 and 15.

Some Premiers however, such as Nova Scotia's Social Services Minister Bill Maceachern, said that their provinces could not afford to enter the plan no matter what the decision. Mr. Lalonde said that he will wait until all provinces let him know their positions, probably by the end of the summer, before making any further moves. A final Federal decision on the plan would be made before the end of the year.

Hays resigns committee post

WASHINGTON, June 3.

REP. WAYNE HAYS stepped down to-day as chairman of the House Democratic Congressional Campaign Committee until the investigation of his role in a payroll-sex scandal is completed.

Mr. Hays said that he was relinquishing control of the committee to avoid putting "an unnecessary and unwarranted burden on my fellow democratic candidates.

OAS meeting

The issue of human rights will be high on the agenda when delegates from 22 Latin American countries and the U.S. begin to-morrow, Reuter reports. Most countries taking part in the sixth General Assembly of the Organisation of American States (OAS) will be represented by their Foreign Ministers. U.S. Secretary of State Dr. Kissinger is expected to arrive on Monday. Observers said his presence could be widely interpreted as U.S. endorsement for Chile's military government which has been accused here and abroad of violating human rights.

Jamaica arms fear

Jamaica's National Security Minister, Mr. Keeble Munn said there were people overseas who were soliciting funds for arms to overthrow the Jamaican Government, Canute James reports from Kingston. The Minister told Parliament that there was evidence of attempts being made by people who had left the island to obtain subscriptions for arms.

Time workers strike

Editorial employers of the Time magazine group struck on Wednesday night after talks on a new contract broke down. A spokesman said the company would continue to publish its magazines and books during the strike, AP-DJ reports from New York. The company said it had offered a wage increase of ... per cent. to employees earning less than $22,000, but it believes the increase should not apply above that level.

ENVIRONMENTAL EXPERIMENT IN CANADA

Mon Repos, eco-style

BY JAMES SCOTT, TORONTO CORRESPONDENT

IN A PART of Canada where water-wheels and windmills are suddenly in vogue again because of soaring energy costs, a group of Canadian and American scientists is building a land-locked ark. Their $345,000 ark or "eco-house" is claimed to be the only thing of its kind in the world. It is being built by the New Alchemy Institute of Cape Cod on Prince Edward Island in the Gulf of St. Lawrence with a 100 per cent. grant from the Canadian Government's Department of Urban Affairs.

The 2,500 square feet unit will become home this summer to a group of scientists who hope to prove that man can live comfortably, even lavishly, using only the sun and wind to sustain his energy needs. It will have a greenhouse at one end and three fish-growing tanks at the other and will be warmed with solar heated water and powered by four giant windmills. The greenhouse will be capable of providing a year-round feast of fresh vegetables and exotic tropical fruit. The fish tanks will spawn fresh trout and salmon.

It is the most ambitious attempt in northern climates to combine under one roof the functions of generating energy, growing food, recycling wastes, and providing shelter by natural renewable means according to Dr. John Todd, a director of the New Alchemy Institute. Although he is primarily a marine biologist, he also has a Bachelor of Science degree in agriculture, a Master of Science degree in parasitology and tropical medicine, and a doctorate in comparative psychology and animal ethology (the study of the behaviour patterns of animals).

"We shall use all ecologically acceptable ways of working with land and sea and the elements," Dr. Todd says. "Prince Edward Island is an ideal place to focus our experimental project. The Province's wind profile is one of the highest in North America

The unit will become home to a group of scientists who hope to prove that man can live comfortably, even lavishly, using only the sun and the wind to sustain his energy needs.

and it has an average of 2,000 hours of sun each year." It also has a nice fusion of land and sea—providing freshwater fish like trout and salmon; the soil is not rocky. It is fairly deep and sustains a wide variety of plants and produce, the 35-year-old scientist says. He, with his wife and three children, will live in the ark taking turns with other New Alchemy personnel and their families.

Major components of the ark are a 20-kilowatt, four windmill power plant; three fish ponds—one of 1,800 gallons, two of 10,700 gallons—able to grow summer fish crops in 10 weeks; a 1,000-square-foot greenhouse for tomatoes, summer melons, beans, peppers and winter yields of potatoes, pears, cucumbers and lettuce.

The tanks will provide water fertilised by the fish which in turn will be pumped in to fertilise the two-foot thick greenhouse beds. It will circulate through the soil to maintain plant root temperatures of 12 to 16 degrees centigrade. Half of the warmest tank will be closed off and covered with insulating panels to store heat to warm the ark's adjacent living areas—two bedrooms, living room, kitchen and bathroom, complete with all modern conveniences.

In winter, when low cloud and mist hang over the building, and the hours of daylight are too short to heat the solar panels, two wood-burning stoves will be used if needed to take over the job of sustaining the ark's existence.

The ark's roof above the ponds and greenhouses slopes southward at 60 degrees to capture maximum sunlight. Reflecting panels mounted below the roof swing downward during the day to deflect sun to where it is most needed. At night they sweep upward to act as insulation.

The scientists of New Alchemy say that their prime tasks will be to assess energy flows, fish yields, produce yields, and whether the system can sustain human life in the 21st century. They will renounce chemical agents used in modern pest control. Instead the ark will be home to whole families of lizards, tree-frogs, and spiders to keep down pests in the greenhouse gardens. Diets for these exotic predators will be supplemented with a stock of fruit flies grown on a small pile of rotting fruit produced in the greenhouse.

Mr. Alex Cambell, Premier of Prince Edward Island, has taken an especial interest in the experiment. His province is stuck with some of the highest power bills in Canada, and is therefore planning a grand return to some of the old ways of doing things. It is keen to reintroduce water wheels as a way of powering some of its rural industries and would also like to see some smaller communities depend on windmills for the generation of power.

In a few years the ark may become significant to small farmers since it may show how to use solar energy in greenhouses and for drying concentrated crops, like Prince Edward Island's tobacco industry, according to Dr. Todd. "Our goal is to see farms as sustaining entities rather than belonging to fertiliser companies," he says.

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Australian GDP up 3.7% in first quarter

CANBERRA, June 3.

RECOVERY in economic activity in Australia was indicated by preliminary estimates of gross domestic product (GDP) issued by the Bureau of Statistics to-day. At seasonally adjusted current prices, GDP was estimated at $A17.4bn. for the March quarter, an increase of 4.7 per cent. compared with the December quarter and 18.9 per cent. against a year earlier.

At seasonally adjusted constant prices (1966-67=100) GDP was estimated to have increased 3.2 per cent. in the March quarter following declines in the two prior quarters.

However, the Bureau of Statistics warned that the significance of quarter-to-quarter changes should not be over-emphasised and advised that the estimates might be subject to substantial revision as further data became available.

The estimates for the March quarter's gross non-farm product recorded a rise of 3.1 per cent. over the December quarter in constant prices seasonally adjusted and an increase of 1 per cent. for gross farm product.

Reflecting the policies of the Liberal-National Country Party Government consumption expenditure by government fell 5 per cent. in the March quarter and gross fixed capital expenditure by government fell by 11.3 per cent.. The Government's policy aim of transferring resources back to the private sector was less quickly achieved—private final consumption expenditure increased 0.1 per cent. and private fixed capital expenditure 1.9 per cent.

The gross operating surplus of companies was estimated in seasonally adjusted current prices to have fallen by 6.5 per cent. in the March quarter following a December quarter rise of 5.8 per cent. Nevertheless the March quarter surplus was 6.2 per cent. higher against the quarter last year.

In current prices unadjusted GND was estimated at $A16.75bn. compared with $A18.99bn. in the December quarter and $A14.7bn. in the March, 1975, quarter.

Forty thousand maritime workers began a series of four-hour strikes to-day and brought all shipping to a standstill in Sydney and Brisbane.

Union officials said the strikes, important to Government plans to change the national health scheme (Medibank), would disrupt cargo handling and commercial and naval ship repairs until to-morrow morning. Agencies

Arrests after arms seizure

By Our Own Correspondent

LAGOS, June 2.

NIGERIAN police to-day announced the arrest of two Americans following discovery of large quantities of arms and ammunitions being illegally imported to the country.

They gave no details about the seized arms or the identity of the arrested Americans. But warned Nigerians to be more vigilant and security conscious.

The arrests came in the wake of the Government's public claim that foreign companies in the U.S., West Germany, France and Switzerland were boosting the nuclear capability of South Africa by supplying them with nuclear weapons.

Fighters buzz Beirut in Syria show of strength

BY IHSAN HIJAZI

BEIRUT, June 3.

SYRIAN Air Force MiG 21 fighters flew low over Beirut to-day and drew machine-gun fire from the left-wing forces in what was apparently a show of force designed to emphasise the seriousness of the military intervention in the civil war.

It was also believed that they were on a reconnaissance mission photographing the positions on the ground of the rival factions in the capital. They also flew over the battle front in the Lebanese mountains.

Some of the Syrian fround forces have moved up the Bekaa valley to hillside village of Tarshish, according to reports here. From there the expectation is that they would advance to the vilages of Al Metein and Aitourah controlled by left-wing forces to stop the clases whith the rigth-wing Christians that have been continuing for some time in the area.

Syrian troops were also reported to be digging in near the town of Chtoura on the Damascus-Beirut higwhay awaiting political developments in the civil war. Further up the road they face entrenched left-wing forces at Dahr al Baidar.

[Reuter adds: Lieutenant Ahmed al Khatib, leader of the breakaway Lebanese Arab Army, called a news conference to proclaim his forces' determination to "resist this and any other occupation wherever it comes from."

He called for a mass march to the Bekaa Valley and a sit-down strike there until the last Syrian soldier withdraws.]

In Beirut gunmen have been manning barricades to stop traffic in an effort to enforce a nation-wide strike called by Mr. Kamal Jumblat, the left-wing leader, and Palestinian guerillas in protest against the Syrian intervention.

Rubber tyres burned in most parts of the areas controlled by the left-wing forces) in a city plunged into darkness last night after a complete power failure, which is expected to last several days. The head of the Electricity Department said the last power line feeding Beirut and its subsurbs was destroyed by shell fire near the mountain town of Aley.

The Syrian intervention has speeded up contacts among the political leaders here to find a solution to the 14-month old crisis. Separate meetings held yesterday by Mr. Jumblatt with President-elect Elias Sarkis and officials in the right-wing Phalangist Party have led to speculations in the Press that the proposed round-table conference is imminent.

Reuter reports from Beirut: The opposing sides in Lebanon's civil war both hinted to-day that a third force of provocateurs was at work in Beirut trying to stir up fresh fighting between left-wing and right-wing militia.

Last night a barrage of shells from an unidentified source smashed into the populous left-wing stronghold of Sabra, largely inhabited by Palestinians and poor Lebanese. To-day both left- and right-wing media indicated the attack was not the work of the Phalangists or their right-wing allies.

Damascus tries to reassure Paris

BY ROBERT MAUTHNER

PARIS, June 3

SYRIA informed France that it continued to support Lebanon's independence in spite of Syrian military intervention in that country.

This was made clear by M. Jean Sauvagnargues, the French Foreign Minister, after a 50-minute meeting with Mr. Abdel-Halim Khaddam, his Syrian opposite number, who stopped over in Paris on his way back to Damascus from Algiers to preside over a meeting of Syrian ambassadors to Western Europe. France has offered to mediate in the Lebanon crisis.

"We exchanged views on the situation . . . and we noted that on the aim of maintaining Lebanon's integrity and independence, Syrian and French views were identical," M. Sauvagnargues said.

He also confirmed that the Syrian President Mr. Hafez Al-Assad would pay an official visit to France on June 17. The visit, originally scheduled for March, was postponed because of events in Lebanon.

The French offer to contribute militarily or diplomatically still stood, M. Sauvagnargues emphasised, although he said yester- that the latest advance of Syrian troops into Lebanon would make it difficult for France to carry out a mission of this kind.

M. Sauvagnargues has made clear that the French are offering not only to send a peace-keeping force to Lebanon but to help organise a "round table" between the belligerents and other interested parties.

Our Beirut Correspondent adds: Abu Iyad, second-in-command of Al Fatah, the Palestinian organisation, has accused Damascus of collusion with King Hussein of Jordan to create a confederation comprising Jordan and Syria, Lebanon and the Israeli-occupied West Bank in an attempt to deprive the Palestinians of their right to establish their own state and bring about a settlement of the Arab-Israel conflict.

Some observers believe Syria moved into Lebanon quickly to head off French military intervention. Informed diplomatic sources said that Syrian President Assad wanted to complete the intervention before he goes to France.

Protests on Assad move in Lebanon

By Our Own Correspondent

CAIRO, June 3.

ABOUT 300 Arab students occupied the Syrian Embassy here for over three hours today protesting against Syrian intervention in Lebanon.

Shouting "Assad is a lion in Lebanon, a chicken in the Golan Heights," the students of mixed nationalities scaled a high fence and broke a door to gain entrance to the embassy. Syrian President Hafez El Assad's name means lion in Arabic.

The students smashed a picture of Assad, but did no further damage. After speeches demanding Syrian withdrawal from Lebanon and the release of student prisoners in Damascus they left the embassy peacefully.

A similar protest took place at Rabat, where about 50 students occupied the Syrian Embassy.

Egypt continued to refrain from making any official comment on the Syrian intervention. Nor was there any comment in the Egyptian Press, which had strongly attacked Syria in the past week.

The Foreign Ministers of Saudi Arabia and Kuwait met yesterday with President Anwar Sadat in their continuing attempt to schedule a reconciliation conference between Egypt and Syria.

Kosygin pledge to Syria

DAMASCUS, June 3.

SOVIET PREMIER Alexei Kosygin to-day pledged his country's compete support for Syria and wished its leaders success in what the described as "these days of trial."

During his visit here the Soviet Premier called for an end to the fighting in Lebanon but made no public mention of Syria's intervention. Reuter

New arrests have soured Kenya-Uganda relations

When partners fall out

By John Worrall, in Nairobi

PRESIDENT IDI Amin's latest act against Kenya, the seizure of four truckloads of explosives consigned by Kenya to the between the two countries to the lowest ebb ever. The Kenyans, not an aggressive people, with a president who prefers a quiet life with his neighbours, are totally bewildered at the turn events are taking.

When the Kenyans look across the border and see President Amin's huge build-up of Russian arms, including tanks and MiG fighters, they are easily alarmed. The Kenyan armed forces are minuscule by comparison.

The four trucks, belonging to the government-owned Kenatco transport organisation, and containing 27 tons of explosives destined for an American oil exploration outfit in the Sudan, were escorted by Kenyan police to the Uganda border. They were handed over to a Uganda police escort for convoying to the Sudan border. Advance information of this possibly dangerous operation was given to the Ugandan authorities, in line with accepted correct procedure.

But, instead of moving to the Sudan border as arranged, the trucks were sidetracked to Kampala. The nine drivers and mechanics were arrested and detained, and the trucks and explosives impounded.

Apart from assurances from Kampala that the drivers and mechanics are "alive and well," Kenya has had no explanation of the "hijacking," though the event took place a month ago.

Kenya regards this act as an outrageous breach of the East African Treaty of Co-operation, which stipulates the free movement of transport, people and goods between one country of the Community and another. The only explanation possible is that this is just another hostile antic of the unpredictable Idi Amin in a series of hostile antics which have embittered Kenyan-Ugandan relations in the past months.

Those optimists in East Africa who hope that the East African Community can somehow stay together are having their hopes shattered by the Ugandan President's actions and speeches. It is almost as though he has conceived a personal hatred for Kenya and its veteran President Kenyatta, the man he once called "my father."

A Kenyan girl student at Kampala's Makerere University was recently detained by the Uganda police as she was boarding a plane at Entebbe to go home for the week-end. She has not been heard of since.

There have been cases reported recently of Ugandan troops raiding for cattle in Kenya, and of troops wantonly stopping Kenyan cars and lorries going through Uganda, firing at windscreens and robbing drivers.

'What outrages the Kenyans most is President Amin's verbal attacks.'

But what outrages the Kenyans is President Amin's verbal attacks. When Kenya and the Sudan recently agreed to build a direct access road between the two countries, President Amin publicly accused Kenya of building a "Zionist-inspired road to bypass Uganda." The intent to bypass was certainly true. The hazards of the present road through Uganda, to the southern Sudan, are an obstacle to growing Kenya-Sudan business. Many say President Amin's latest action in seizing the explosives lorries was taken in a fit of pique over the Kenya-Sudan road project, which may now go forward much faster as a result.

When two military helicopters belonging to the Uganda Air Force came down in Kenya last month they and their crews were detained by the Kenyan army. President Amin accused the Kenyans of "bayoneting and badly beating" his men. The Kenya Government failed to issue any statement on the incident. Nobody quite knows why.

Kenya was infuriated when Amin criticised it for "the manner in which Unctad delegates had been received in Nairobi." If they had gone to Uganda, he said, they would have been received "in a typically African manner." Participants should not, he said, get a bad impression of Africa because of their treatment in Kenya. This presumably was a reference to the failure of President Kenyatta to open the conference, as billed.

Hostility between the two countries goes back to last year's furore when Amin laid claim to parts of Kenyan territory. He said these areas had been taken illegally from Uganda by the British during colonial times. In Kenya there were mass rallies and unity demonstrations. Epithets such as "Black Hitler," "murderer" and "lunatic" were used by Ministers and others to describe the Ugandan President. Even President Kenyatta turned up at a huge Nairobi rally to call for unity in the face of this external threat.

It is believed by Ugandans here that Amin was so outraged by these insults that he has never forgiven Kenyatta and the Kenyans. Previously they had reacted with superlative coolness.

One Kenyan reprisal for the territorial claims is to demand hard currency, in advance, for the oil which comes by rail and road from Mombasa.

In retaliation Kenyan drivers in Uganda have to pay for petrol bought there in hard currency. There have been demands in Kenya to cut the railway line to Uganda, but this cannot legally be done because the East African Railway belongs to the Community, of which Uganda is a partner.

There is no question that President Amin's provocative statements and acts are seriously harming relations between the two countries, possibly irreparably, at a time when the Community is in real danger of breaking up. The Ugandan President's lack of diplomacy seems almost lunatic because if this did happen Uganda, as the only landlocked country of the three, dependent on Kenya for a port and a railway, would be the loser.

Rhodesia death toll rises

Rhodesian troops have killed 12 more guerillas in the past 24 hours, bringing the total to more than 50 in the past week, security forces headquarters here announced yesterday, Reuter reports from Salisbury.

The communique said only that the 12 were killed "in the operational area"—the war zone that now spreads right along Rhodesia's northern and eastern border with Mozambique. Two curfew-breakers were also reported killed.

A series of communiques over the past few days appears to indicate that the tempo of the guerilla war is increasing rapidly. Security forces said 21 guerillas were killed during operations last week-end. On Wednesday it was announced that 23 more had been killed. No deaths among the security forces were announced.

Yesterday's report brings to 288 the number of guerillas claimed to have been killed since they opened their war in December 1972, against the white minority Government.

The security forces say they have lost 133 men killed in action since 1972.

Namibia talks

A conference arranged by South Africa to prepare for the independence of South-West Africa (Namibia) has instructed a constitutional committee to prepare a draft constitution, according to Reuter quoting informed sources ind Windhoek. It was hoped that the draft would be ready for approval by the full conference in about six weeks, before the UN debate on the territory in August. A spokesman for the Coloured delegation told Reuter that a motion would be tabled urging that the black nationalist political groups be included.

Philippines logs

A subsidiary of Weyerhaeuser announced yesterday it was shutting down logging operations on a small island in the Philippines because the Government had given 27,000 acres of its timber concession to reformed Moslem rebels, AP-DJ reports from Manila. Weyerhaeuser Philippines said a proclamation by President Ferdinand Marcos created a 27,000-acre area in Basilan Island for an agricultural settlement for Moslems.

ON OTHER PAGES

EUROPEAN NEWS

Belgium's linguistic battle over the town hall counter

BY DAVID CURRY, IN BRUSSELS

VISCOUNT Walter Ganshof van de Meersch, a sprightly 70-year-old, but with a reputation for being a no-nonsense jurist, got out of the car in front of the Schaerbeek town hall, as promised at 9.30 a.m. exactly. He glanced up through the heavy rain at the banner draped over the portico of the red and black brick building—a monument to Scottish baronial grafted on to French provincial—which proclaimed in large black letters: "No, bayonets will not turn out those who are here by the will of the people of Brussels." He pushed through the knot of onlookers into the building.

Thus began on Tuesday morning what could be the last act in the long drama of the "*Guichets de Schaerbeek.*" For the Mayor of Schaerbeek, a dense slab of north Brussels, for 18 months had defied the country's linguistic laws by maintaining segregated *guichets*, or inquiry counters for the French speakers (vastly in the majority) and the Dutch speakers in the commune. Viscount Ganshof made his entry as the Government's Special Commissioner charged with implementing the law. He was back the following morning at dawn with a bodyguard of 40 police to break into the town hall to remove the offending notices.

Meanwhile, in Brussels, French speakers as a series of ministries or institutions went on strike or demonstrated in protest against alleged over-representation of Dutch speakers in their offices. In particular, Francophones at the National Savings Fund headquarters went on strike claiming that an agreement to staff the fund with 52.5 per cent. of Dutch speakers and 47.5 per cent. French speakers had not been implemented. The existing situation of 53.7 per cent. Dutch and 45.22 per cent. French was unacceptable.

Staffing

On Wednesday morning Prime Minister Leo Tindemans announced that the Government would enforce the law at Schaerbeek and would also enforce the staffing agreement at the Fund. This has provoked a Flemish strike in its turn. Schaerbeek, in the person of Mayor Roger Nols, had refused to integrate the *guichets* at the town hall unless the Government set its own linguistic parish in order.

The sequence of events illustrates the cancer which runs through Belgian life — the permanent and institutionalised conflict between the country's Dutch and French speakers.

Mayor Roger Nols belongs to the French language Brussels Political Party (the Front Démocratique des Francophones) which controls six of the 19 communes in the capital. Some 18 months ago, he segregated the inquiry desks in the town hall according to population. One desk was reserved for Dutch speakers, compared to six French and two for other languages. This was a red rag to the Flemish bull. Thanks to the massive post-war foreign investment in Flanders, the region now plays the dominant role in the Belgian state. But for more than a century the Walloon coalfields gave French speakers the whip hand and French culture, politics, and education reduced the Flemings to second class semi-citizens.

Although the economic balance has tilted to Flanders, the psychological scars of the long repression are still vividly felt among the Flemings. The Schaerbeek issue — a legal affront which disguised emotional insult—was fought out in battles for more than a year between Flemish militants and police. The issue was also fought through the Government and Parliament, until the Conseil d'Etat pronounced decisively for integration.

At this point Mayor Nols played his ace. He refused to implement the law at Schaerbeek until the Government corrected the linguistic imbalance in its own backyard.

The Government sent the issue to the permanent Language Control Commission. Meanwhile, 17 militant Flemish nationalist MPs invaded the office of the Minister of the Interior to protest against official handling of the Schaerbeek issue. They were driven by riot police with tear-gas on to the balcony.

The Language Commission failed to deliver a solution and the French language Rassemblement Wallon, the smallest party in the ruling coalition, said it would quit the Government unless it met the demands of French workers by June S.

On June 1, Francophones at the Fund went on strike to achieve staffing changes to be supported by demonstrations at the Social Security Ministry, the State telephone company and the Ministry for Overseas Co-operation. On Wednesday morning the Government announced it would integrate Schaerbeek and change staffing at the Fund. Mr. Tindemans confessed earlier "whatever we do in this country we find ourselves faced with a linguistic problem."

Complex

The linguistic laws are very complex. Belgiums consists of a Dutch language region; a German language region with a protected French minority; a French language region with a protected German minority; a bilingual region (Brussels); a Dutch region with a protected French minority; a French region with a protected Dutch minority; and a French language region. To tackle the linguistic conflicts, Belgium has decided on an important degree of federalism to devolve power to the three big regions of Flanders, Wallonia and Brussels.

Under the current provisional regionalisation, some 11 administrations including housing and employment are being reorganised on a regional basis. Revenues are being divided according to a formula which gives Flanders 52 per cent., Wallonia 39 per cent. and Brussels 9 per cent.

Staffing is subject to rules. National or central administrations employ French or Dutch speakers according to the linguistic character of the business treated. But there is no regular way of establishing what these volumes are (number of pass books or volume of deposits, for example) and there is no regular review procedure, which means that shop floor formulae have to be worked out. On top of that, for senior jobs bilingualism is required which favours strongly Flemings with a French educational background since bilingual Walloons are thin on the ground.

The linguistic division overlays the economic division of the country into relatively rich Flanders and newly-poor Wallonia and increasingly also the basic political division between conservative Flanders and socialist Wallonia.

Swedish discount rate at 6% again

BY WILLIAM DULLFORCE

STOCKHOLM, June

SWEDEN IS increasing its discount rate from 5½ per cent. to 6 per cent. with effect from to-morrow, returning it to the level of last January. The domestic long-term lending rate is not affected.

The Riksbank (Central Bank) has motivated the change by the continuation through the spring of the strong domestic credit expansion, which got under way last autumn. Lending by the commercial banks rose by Kr.11bn. (£1.4bn.) or by 18 per cent. up to the end of April.

A credit expansion of this size cannot continue without risking a serious lack of balance in the economy, the Riksbank communiqué says.

Finance Minister Gunnar Strang said to-day some tightening was needed in the banks' very high liquidity, which had increased by Kr.16.6bn. (£2.1bn.) over the past year.

The Riksdag last night passed a Co-Determination Law under which companies can be c[...] pelled to consult their wor[...] before taking any importan[...] cision. From January 1 next [...] the trade unions can negot[...] co-determination agreem[...] with the employers at the s[...] time as the collective wage a[...] ments are made. The new [...] abolishes the employer's rig[...] direct and allocate work.

Employers and managem[...] can be obliged to negotiate [...] the local union on such ma[...] as the sale of compa[...] mergers, investments, for[...] ventures, production or adm[...] trative changes and wor[...] conditions.

John Walker writes: The [...] main opposition parties in [...] Swedish parliament—the Ce[...] Party, the Conservatives an[...] Liberals—would have ha[...] majority over the ruling S[...] Democrats if a general ele[...] had been held in May, accor[...] to a public opinion poll ca[...] out by the Central Burea[...] Statistics (SCB).

Storting debates N. Sea plans

By Fay Gjester

OSLO, June 3.

LABOUR GOVERNMENT proposals to increase production facilities on the Statfjord Field, the biggest yet discovered in the North Sea, will be discussed by Norway's Storting (arliament) just before it recesses, in mid-June. The spring session is being extended by hal fa week at the request of some MPs who want more time to consider the matter.

The proposals, known as the Statfjord "Phase II" plan, involves spending some Kr.14bn. (£1.4bn.) to add to production platforms and one single-point mooring buoy to the concrete platform and single-point buoy already approved for Phase I. They are certain to be approved, since they are backed by at least two Opposition parties as well as by the ruling Labour Party, ensuring a comfortable majority. The vote is eagerly awaited by Norway's platform builders, however, because the Goverment cannot actually order the new platforms until Storting approval has been secured.

The MPs who are dubious about the plan—and who sought etxra time to study it—come from smaller parties on the Centre, and far Left, which are opposed in principle to over-rapid development of Norway's offshore petroleum.

Linked with the Phase II proposals is a Government plan to spend Kr.300m. on a feasibility study to determine whether oil can be piped from Statfjord to land in Norway.

While the Government wants Statfjord's oil piped to Norway, if this is technically possible, the private enterprise partners in the Statoil/Mobil group developing the field favour direct loading onto tankers. So—not surprisingly—does the Norwegian Shipowners' Assoication. In a statement yesterday it pointed out that transport by tanker would be more flexible than a pipeline, would save Norway investments estimated at Kr.5.75bn., and would give cotninuous employment to about 1m. deadweight of tanker shipping.

Meanwhile, problems continue to dog Statfjord's first production platform, Statfjord "A." Unforeseen construction delays recently forced a year's postponement (until summer 1977) of its tow-out to the field, with a corresponding delay of Statfjord's production start up. Yesterday, eight tugs trying to tow the concrete base out of Stavanger had to give up when their combined 52,000 h.p. proved unexpectedly inadequate for the job.

EUROPEAN NEWS

Workless total falls again in Germany

By Adrian Dicks

BONN, June 3

UNEMPLOYMENT in West Germany fell below the psychologically important 1m. mark in May, dropping from 4.8 per cent. to 4.2 per cent. — the same level as in December 1974.

In a second confirmation of the gathering force of the economic recovery, the Economics Ministry published industrial production figures for April that showed a recovery of 2 per cent. over March, when there had been a 1 per cent. drop from February.

The unemployment figures, which were greeted with satisfaction on all sides today, had been anticipated for several days. They are likely to be taken as a strong vindication of its policies by the coalition Government, which has been consistently predicting an improvement in the employment situation, though it had not been sure it woul dcome so soon.

There was a further decline, too, in people on short-time This fell by 105,000 to 250,000. Vacancies open rose by 22,000 to 274,000.

Two major uncertainties remain. The first is the continuing high level of unemployment among young people, for which all parties agree special measures are needed in addition to the specal Government training programme

A second, and still more difficult question is the so-called structural element in unemployment. Many German companies expect to reduce their labour force further as automation is pursued.

Meanwhile, industrial production figures point to a firmer trend in the capital goods sector, where output was up 4 per cent. in April, and in the building sector (up 4.5 per cent.).

Industrial orders showed a 1.5 per cent. decline in April. The figures presented an uneven appearance, but indicated a 4 per cent. decline in new domestic orders, while export orders improved by 3.5 per cent. March and April taken together showed an overall 1.6 per cent. rise from January and February.

Spain's inflation may top 20% after further rise

BY ROGER MATTHEWS

MADRID, June 3.

INFLATION IN Spain is likely to top 20 per cent this year an increase of 6 pe rcent. over 1975, according to the head of the National Institute of Statistics in an interview given to the semi-official news agency Cifra.

This sharply contradicts the views of Senor Villar Mir, the Minister of Finance who several times in the past few days has repeated that inflation will hold at last year's level of just over 14 per cent. Earlier in the year the Minister, who is one of the most controversial members of the Cabinet, had predicted a drop in the official consumer *price index of three points.*

Durign the first four months of this year the index has risen by almost 7 per cent. and reliable sources reveal that last month's increase will not be less than 2 per centll and possibly nearer 3 per cent. As wages are tied to the consumer price index, plus 2 per cent., industrialists anticipate another large increase in labour costs and the possibility of extended strikes in the autumn.

The director of the Statistics Institute also said that the provisional index issued each month had on revision showed shown to underestimate the true figures in both February and March.

This new inflationary treud must cast more serious doubt on the Minister's predictions of a 4 per cent. growth rate in 1976 (last year 0.8 per cent.) and the effect such a target would have on increasing the rate of inflation still further.

Senor Villar Mir has now also admitted that he expects a balance of payments deficit for the year of $3bn., down just over $400m. on 1975. Because of the high servicing cost of foreign debt already accrued — nearly $9bn.—the Minister is planning to make more use o the gold and convertible currency reserves *which as a result will end the* year below $5bn.

Although it has been suggested recently that leading Spanish companies, and especially those with State participation, would be loking to raise around $500m. on the Eurodollar market this now appears rather more unlikely. Banking sources have reported that there is resistance in the market to further large loans for Spain.

More cheerfully, car sales last month are understood to have been an all time record, although this also reflects the rush to buy in front of recent price increases.

THE SPEECH by King Juan Carlos to a join session of the United States Congress won more approval from Spanish Opposition leaders to-day than any other statement he had previously made. Politicians including Socialists, Christian Democrats and Liberals were particularly impressed by the King's assurance that "the Monarchy will ensure the orderly access to power of distinct political alternatives, in accordance with the freely expressed will of the people."

This is a far more positive statement of democratic intent than has been made by any member of the Spanish Government.

But *while the King was committing* the Monarchy "to be an open institution in which every citizen had full scope for political pargicipation" the authorities in Madrid were announcing that 18 years' jail was being demanded for Senor Simon Sanchez Montero, a senior member of the Communist Party, who was arrested in February.

Senor Sanchez Montero was arrested after addressing students at Madrid University on the same platform as a Christian Democrat and a Socialist. Neither of the two other political leaders have been detained even though they have asked to suffer the same fate as *Senor Sanchz* Montero.

Berlinguer to appear at French party rally

By Rupert Cornwell

PARIS, June 3.

THE FRENCH Communists have staged something of a coup in persuading the Italian party leader, Sig. Enrico Berlinguer, to take part in a mass meeting here to-night aimed at emphasising the solidarity of Western Europe's two biggest Communist parties.

The presence of Sig. Berlinguer is of particular interest since it comes in the middle *most important election campaign* since the war, and one that is expected to show further advances for the PCI.

However, the display of unity is of special importance for the French party which, despite its recent show of democratic good faith and of independence from Moscow, still arouses considerable mistrust among the non-committed.

Also, the recent remark of President Giscard d'Estaing in the U.S. that the French Communists were historically on the decline in contrast to the *Italian party*, has undoubtedly struck a very raw nerve—following as it does aseries of poor showing in recent French local and by-elections.

M. Georges Marchais, secretary-general of the French party, is clearly hoping that tonight's rally alongside Sig Berlinguer, will further brighten its image.

L'Humanité, the Communist newspaper, has been giving the event banket coverage for the past few days. Its Italian counterpart, Unita, has been very restrained in its handling of Sig. Berlinguer's trip. Whatever the claims of the joint statement by the sister parties after the Rome "summit" of last November, divergences still exist between them, in particular on the Atlantic alliance and the Common Market.

SIG AGNELLI'S POLITICAL FUTURE

An industrial candidate

BY ANTHONY ROBINSON, IN ROME

Sig. Umberto Agnelli

ONE of the few novelties of the current Italian General Election campaign is the way in which the various parties have sought to freshen their image by recruiting independent candidates on their electoral lists. One of the most famous of these independents is Sig. Umberto Agnelli, the managing director of Fiat.

Sig. Agnelli originally intended to stand for the Christian Democrat Party in Piedmont where Fiat and the Agnelli family have their roots. This was however fiercely contested by the local Christian Demorca Party boss, the Minister for Industry Carlo Donat Cattin, and after a 10-day deadlock Sig. Agnelli finally decided to accept as second best a post as independent on the Christian Democra electoral list in Rome.

For the last 10 days he has been engaged in an aggressive, American-style meet-the-people type election campaign in a constituency which ranges from wealthy residential in the suburbs to the South American-style slums and high rise apartment blocks that characterise the Rome periphery

Yesterday he met the foreign Press to explain why a wealthy industrialist like himself decided decided to enter the political fray on behalf of a political party which, more than any other, as bheen blamed for that growth of parasitism and that patronage that continously suffocated Italian industry.

Sig. Agnelli explained that the decision stemmed in part from the failure to negotiate a "lay alliance" between the Republican, Liberal and Social Democrat Parties as a vehicle of expression for the productive *managerial and middle class.* If this had worked it is probable that his brother Giovanni Agnelli, chairman of Fiat and president of the industrialists' association Confindustria, would have stood for Parliament alongside other industrialists like Sig. Bruno Visentini, former chairman of Olivetti, who is a long standing Republican Deputy, and possibly also Sig Guido Carli ex-Governor of the Bank of Ltaly.

But the parties concerned would not agree (Republican Party secretary, Sig. Ugo La Malfa, described the prospect as that of two cripples supporting a corpse) and so Sig. Agnelli plumped for the Christian Democrat Party on the groups that *as a mass party it was the most* valid instrument for containing the hegemonistic pretensions of the Communist Party. Not that Sig. Agnelli would describe himself as a rabid anti-Communist. On many occasions he has stated his respect for the party's organisational ability, the seriousness of its attempt to revise its ideology in the light of reality and its capacity to put forward political proposals.

Sig. Agnelli's aim is to stimulate the Christian Democrat Party's efforts to revitalise itself, an effort which he said is deeply felt at the grass roots of the *party, by the personal commit*ment of industrialists with practical experience of business problems. The principal aim must be to reduce the area of parasitism and inefficiency in Government, he underlined.

But parasitism is not restricted to the political sphere, and he cited the example of widespread labour absenteeism, the rescue of bankrupt firms, the unproductive illegal export of capital, etcetera. One of the first priorities of the new Parliament, he believes, should be to bring company law up to date, modernise the capital market *and agree on standard auditing* practices, and reduce tax evasion. He is also in favour of returning certain sectors of State industry to private hands —particularly the small and medium companies which had been taken over in rescue operations. But iat itself is also at this time interested in taking over some of the special steel subsidiaries of the State controlled Egam group.

Once elected, Sig. Agnelli will leave his post at Fiat. This prospect has already led to a major management reshuffle in which Sig. Carlo de Benedetti has taken over Sig. Agnelli's role as managing director.

Sig. Agnelli did not exclude the possibility of obtaining a ministerial post provided the Christian Democrats managed to retain their position as central point of the future government. He has eyes on the Ministry of Budget and Planning. This is currently held by Sig. Giulio Andreotti, a 100 per cent. politician if ever there was one.

The principal question mark over the Agnelli candidacy indeed is just how much weight will an industrialist turned politician turn out to have against the established powers brokers of the party as determined as ever to retain their own positions. And to be effective Sig. Agnelli himself may well be forced to organise his own section in this faction *ridden party.*

Time will tell, but it will be interesting to see just what kind of reaction the presence of fthese "anti-body" (his own words) will provoke inside the Christian Democrat Party once elected.

EEC steel output rise seen

BY DAVID CURRY

BRUSSELS, June 3.

FURTHER indications of a slow but steady recovery by the European steel industry from last year's recession has come from the Brussels Commission. It is forecasting that steel output in the EEC for the third quarter of the year will reach 35.4m. *tonnes, some 3m. tonnes better* than the same period of 1975 which marked the trough of the recession.

However, this production level will still be 2.6m. tonnes down from the equivalent period of 1974 and will represent capacity utilisation of only 71 per cent.

After a succession of months where production failed to pass 10m. tonnes Community output topped 11m. in March and for the early summer the Commission is expecting a 12m. tonne monthly average.

The drag on recovery is coming from the continued weakness of export demand. Within the EEC Commission notes a very uneven improvement in prices.

The employment picture is notably brighter. The Commission considers that in May only 40,000 workers were affected by partial lay-offs against more than 100,000 in March and nearly a quarter of a million in December.

The basic assumption behind the forecast which is intended to guide producers on how the mutch supply and demand, are for a real level of consumption of some 30m. tonnes in the third quarter and for a rebuilding of stock to the tune of 1.75m. It sees imports at some 1.8m. tonnes with exports still depressed at some 5.2m. tonnes.

Farm payments challenge

BY HILARY BARNES

COPENHAGEN, June 3.

DENMARK will insist on the abolition of the EEC agricultural policy system for paying monetary compensatory amounts and make abolition a condition of Danish agreement to the solution of other pressing Community problems, including the introduction of a new European unit of account and budgetary reform, said informod sources here to-day.

The system of compensatory amounts, as it operates now, is benefiting Dutch and German farmers and causing Danish farmers to lose market shares in the important U.K. market.

The problems arise because the compensation paid to Germany and Holland has risen faster than the amounts paid to Denmark, a consequence of the Dutch and German currencies revaluing faster than the Danish Kronor. Compensatory amounts are paid to cover the difference in market prices for agricultural exports to other member countries and the prices fixed by the EEC's representative rates.

Spy group 'broken up'

By Our Own Correspondent

BONN, June 3.

THE West German Federal Prosecutor's Office claimed to-day it had broken up an East German spy ring active for many years, with the arrests of 15 people within the past 36 hours. The Federal Attorney-General, Herr Siegfried Buback, alleged that the 15 included a married couple who had been organisers of the ring from Koblenz for the past ten years.

As well as the couple, named as *Lothar and Renate Lutze*, a Defence Ministry official, Herr Juergen Wiegel, was also alleged to have been a central figure in the intelligence effort. Herr Buback said Herr Wiegel, who was head of the records office of the Naval Operations Staff, had had access to numerous secret Nato documents as well as the mobilisation plans of the West German armed forces.

Dutch Cabinet faces censure

By Michael Van Os

AMSTERDAM, June 3.

DUTCH Cabinet Ministers were facing many critical questions and a censure motion in Parliament in The Hague to-day during the special debate over the loss to France of the controversial contract to supply parts for South Africa's firs nuclear power station.

Whereas the Government, deeply split over the South African order, has been rescued by the South African Government's decision to place the order with French companies instead of the U.S./Dutch/Swiss consortium as it had planned to do earlier, the problems are by no means over for the Dutch coalition. It faces growing difficulties over a series of domestic issues in the near future, including abortion law reform, economic policy and plans to cut the growth of collective expenditure.

Greece plans 7% growth

By Our Own Correspondent

ATHENS, June 3.

MR. PANAYOTIS PAPALIGOURAS, the Greek Minister of co-ordination, said here to-day that the five-year plan being drawn up for 1976-80 foresaw tentatively an annual growth rate of six to seven per cent.

Addressing a Financial Times Conference he said that this was in keeping with the trend of the past 20 years. "By the end of the period, the gap berween Greece and its partners in the European Community will be substantially reduced," he added.

He admitted that the balance of payments was a main restraint upon growth. Despite some unfortunate recent influences, the cost of debt servicing remained within comfortable limits: it was well below 10 per cent. of current foreign exchange earnings.

British Caledonian to buy two long range DC-10s

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH Caledonian Airways, the U.K. independent airline which has recently been granted routes to Lima, Caracas and Bogota under the Government's new "spheres of influence" policy in civil aviation, is buying two U.S. McDonnell Douglas DC-10 long-range Series 30 airliners, worth about \$70m. (nearly £30m.).

Announcing the decision yesterday, Mr. Adam Thomson, chairman of British Caledonian, said the airline had waited before committing itself to wide-bodied jets, because of the problems of over-capacity and lack of traffic experienced during the recession.

"Our development has now reached the point where we feel confident that we can fully utilise these two DC-10-30s," he said.

The order also provides for an option on two more DC-10s. First delivery is due early in 1977.

Mr. Thomson said yesterday the airline was confident it could put together the financial package necessary to buy the aeroplanes. This was now being discussed with McDonnell Douglas, banks and other institutions, but he could not comment beyond saying that it was not anticipated that any new equity capital would be needed.

Commenting on the airline's financial position, he said that following the substantial loss in 1973-74, the airline had done better than expected in 1974-75, and had made a small profit.

For the 1975-76 financial year, it looked as though it would make a satisfactory profit.

Rights

Mr. Thomson made it clear that the decisions in the recent Government civil aviation policy review had made the acquisition of new long-haul aircraft imporative for the airline.

In addition to being given the rights to the South American points, the airline had been confirmed in its rights across the North Atlantic to Atlanta and Houston (although losing its New York and Los Angeles rights), and to points in Central Africa.

The airline had studied all the long-range wide-bodied types of aircraft available, including the Lockheed TriStar and the Boeing 747. But the existing TriStar lacked the range needed for the British Caledonian routes, and the proposed longer-range model 500 was not yet in production and in any case would not be available until 1979.

So far as the 747 was concerned, the Special Performance (SP) version had been closely studied, but the capacity it offered was greater than that needed.

The DC-10-30s were the most suitable, readily-available aircraft. They will be capable of flying over 5,000 miles non-stop, with up to 263 passengers and 36,000 lbs of cargo.

At present, the DC-10-30s are each fitted with three U.S. General Electric CF6-50 engines, but it is possible that the aircraft may be reengined later with the Rolls-Royce RB-211 in its higher-power Dash 524 version.

The airline said yesterday that, pending the outcome of negotiations with various foreign governments on the exchange of route rights with British Airways, it intended to start South American and African flights with the DC-10-30s next spring.

The airline will also use the new aircraft on North Atlantic charters in 1977, thereby maintaining "the strong dollar earning position British Caledonian has traditionally held on the West Coast of the U.S. and Canada."

The airline will also use the aircraft on its Atlanta/Houston routes when the necessary U.S. permits have been obtained.

The airline will undertake maintenance of the DC-10s at its own Gatwick Airport base, where it will be making alterations to its existing buildings to accommodate these aircraft.

Managers' body in national role bid

By John Elliott

AN initiative aimed at establishing the British Institute of Management as a key voice in national affairs ranking alongside the CBI and the TUC was launched yesterday.

The BIM council is to change the legal status of the institute. It is to drop its charitable status which, it is thought, could prevent it developing into an organisation which influences legislation and Government policies.

The BIM's objectives will also be changed to enable it to carry out this new role of representing its 52,000 members to Governments, other organisations, and the public. But the BIM will not develop into a trade union or a collective bargaining body because it prefers to be regarded as a professional institution.

Sir Frederick Catherwood, its chairman, said yesterday: "The BIM should shortly be able to speak out openly and regularly on public issues as the voice of managers in the same way as the TUC represents trade union views and the CBI those of the companies."

He hoped that professional people belonging to other institutions would take out additional membership of the BIM, which was also having merger talks with the Institute of Works Managers.

Squeezed

Earlier this year the BIM held its first national convention, when it became clear that its active members felt it ought to develop a more propagandist role. It has recruited a new director general —Mr. Roy Close, formerly of the National Economic Development Office.

But it has traditionally been squeezed between the CBI and the TUC and now also has to vie with the Institute of Directors.

Sir Frederick hands over as part-time chairman to Sir Derek Ezra, chairman of the Nationale Coal Board, in the autumn.

The BIM will create a subsidiary charitable body to which it will transfer all its property and assets.

The hived-off charitable body will perform most of the BIM's present functions on matters such as education, information and conferences. Approval for this is to be sought from the Charity Commission

● NEWS ANALYSIS—FISHING

State fleet on the horizon

BY LORNE BARLING IN HULL

A TRAWLER skipper here who last year earned £18,000 may earn £1,000 by the end of this year—if he is not on the dole by then.

Though in this case he is a victim of the cod war, luck has always played a major part in his job and the industry as a whole. Now the skippers say their jobs have been "blown away" by the Icelandic agreement, and do not argue with their employers when they say it is time for some purposeful planning.

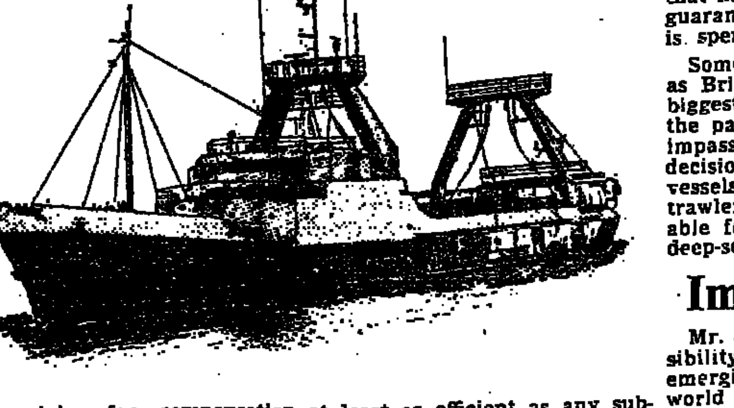
If the Government has to compensate the industry with anything near the £30m. suggested by the British Trawlers' Federation (the ship owners), then it is clear that nationalisation of part of the fishing fleet cannot be far over the horizon.

Though the question of their loking for a State fleet was not put yesterday this was the message which Mr. James Johnson, Labour MP for Hull West, delivered to a group of unhappy trawler skippers at the fishing dock, who now have to face the unpleasant unrealities of the "casual employment" they have traditionally opted for.

These are the men who, though they make up a small minority of the total employed in the U.K. fishing industry, are the ones who know where the find the fish and bring them back. In Hull, as in other major fishing ports, there is a pool of them employed at random by the trawler companies.

In spite of their relatively high earnings, derived from a percentage of the catch, they are not entitled to redundancy payments. When 60 vessels are laid up over the next few months, many skippers will be left high and dry.

The skippers at Hull recently rejected an employers' offer of contract employment, making



their claim for compensation even more tenuous.

Mr. Johnson was sympathetic towards them yesterday. He is to see Mr. Fred Peart, Minister for Agriculture and Fisheries, to press for some form of compensation.

Investment

This news was accepted gratefully but his suggestion that the Icelandic problem could have been averted if Britain had a "State fleet" like the Soviet Union or Poland, met with little response. Such a fleet, he believed, could have been redeployed successfully due to its flexibility.

The attitude of the owners to such a fleet is not entirely negative — mainly because they believe they could show it up as inefficient.

They argue that the U.K.'s private-sector fishing industry is at least as efficient as any subsidised fleet in the world.

But Mr. Johnson, who is also chairman of the Commons All-Party Fisheries Committee, could see the time when Britain will have to join other major maritime countries in fishing the South Atlantic, possibly with a base in the Falkland Islands.

This would need considerable investment in shore processing facilities, mother-ships and a large fleet.

Clearly, the U.K. trawler companies, already heavily committed to repayments on existing trawlers and suffering from the Iceland losses, could not support this level of investment.

The members of the British Trawlers Federation estimate that they will have a negative cash flow of about £5.5m. in the year ending September and will take some time to recover from the Iceland agreement.

The federation is already under pressure to be more specific about the use of the £30m. they say they need. Before any money is granted, it is likely that the Government will want guarantee of how and where it is spent.

Some trawler companies, such as British United Trawlers, the biggest in Europe, have tried in the past five years to avoid the impasse of Government indecision by building dual-purpose vessels, usually small stern trawlers. These are more suitable for home waters but have deep-sea capability.

Important

Mr. Johnson held out the possibility of some solid policy emerging, when European and world interests have finally been satisfied. Even a return to Icelandic waters, when Britain is in a position to negotiate bilateral fishing rights on a trade-off basis was not ruled out. The state fleet would be the leader in such agreements.

Meanwhile, Hull would remain an important fishing port with a large industry processing and handling a substantial volume of fish—though much of this, it is admitted, may be caught by foreign fleets.

The trawler skippers of Hull, even those who earn £18,000 a year and complain that half of it goes in income-tax, are faced with little alternative but to hope the Government will provide some form of redundancy, with no strings attached.

Harland may need last slice of £60m. rescue fund soon

BY GILES MERRITT

THE CRISIS over the future of Harland and Wolff, the loss-making Belfast shipyard, is expected to receive renewed public attention soon when the Government must approve the final £20m. slice of the £60m. rescue fund voted by Parliament last year.

So far, only £40m. has been handed over to Harland, the yard disclosed yesterday. But with its deficit running at over £½m. a week, it is understood that the remaining third of the grant will shortly be required.

That Harland and Wolff has not yet received the entire £60m. appropriation means that Press speculation earlier this week that the yard faces imminent closure because losses have absorbed almost all of it, is unfounded.

The indications are, however, that Harland is using up the funds at a faster rate than anticipated.

It was originally estimated that the £60m. fund would cover the shipyard's needs until mid-1978.

An exact picture of Harland's financial position is complicated by the fact that the £40m. guarantee granted to date is similar to an overdraft facility, and fluctuates as the yard draws on it for wages and purchasing, then restores it in part with customer payments.

Absorbed

But according to Harland and Wolff's senior management, the fund is now all but depleted. Last October, the Government stated that £13m. of the £60m. had been spent by the yard, so it now appears that a further £27m. or so has been absorbed in 36 weeks.

The case for Harland and Wolff's future viability was to have been explained by the shipyard's managing director, Mr. Ronald Punt, in an article in yesterday's Belfast Telegraph.

But following Wednesday's emergency meeting between Mr. Merlyn Rees, Northern Ireland Secretary, and Harland's chairman, Sir Brian Morton, the company's management decided that publication would be inappropriate.

Mr. Rees' scheduled visit to Harland and Wolff to-day with Mr. Roland Moyle, Minister of State responsible for Ulster's commerce, has now been cancelled.

Olympics marathon by BBC

By Michael Thompson-Noel

THE BBC is planning a marathon 130 hours' coverage of the Montreal Olympics—65 of them live. It will cost the corporation £650,000.

All 130 hours will be screened on BBC 1 with four Olympic programmes daily. The Games run from July 17 to August 1. BBC 2 will avoid the Olympics, except in news bulletins, in a deliberate policy to provide alternative viewing.

The U.K. rights to the Games cost the BBC £500,000. ITV could have shared th ecost and the coverage but decided not to compete.

Mr. Cliff Morgan, head of outside BBC broadcasts, said yesterday: "It will all be done for £5,000 an hour—some of the cheapest television of the year and some of the best."

The BBC is sending a squad of 16 commentators and 26 other staff to Montreal where around 8,000 competitors from 120 countries will be chasing 1,100 medals in 21 sports.

The corporation said it is hoping for regular audiences of up to 20m. during the Olympics. The coverage will be split into four daily programmes, including three Olympic Grandstands —at lunchtime, mid-afternoon and mid-evening.

Henley Forklift will appeal on damages

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

HENLEY FORKLIFT CO. said last night it will appeal against a High Court award of £519,000 in damages and interest in favour of rival industrial truck manufacturers Lancer Boss.

The awar dfollowed one of the longest hearings in patent cases in the High Court this century.

Damages of about £320,000 were awarded to Lancer Boss in respect of alleged infringements of two of its patents. Interest on the damages was awarded as from September 1968 when the writ as issued. Costs were also awarded to Lancer Boss.

A sum of £86,000 pair into court by Henley has already been handed over to Lancer oBss.

Henley has offered a bank guarantee to cover the whole of the damages, less the £86,000, to show its appeal is not just a delaying tactic.

Both companies involved are privately owned. Henley was set up in 1968 and merchant bankers Hill Samuel control 42 per cent. of the issued capital.

The accounts to August 1974 show pre-tax profits at £203,000 on a turnover of £10.5m. Mr. Steven Gray, managing director, said last night that turnover was at present running at an annual £20m. and taxable profit should be more than £1m. this year.

As a manufacturer of larger front-loading trucks, it has escaped the worst effects of the recession.

Lancer Boss was set up in 1958. In the year to March 1974, it made a taxable profit of £336,000 on a £16.5m. turnover.

A spokesman said last night that Lancer Boss, in the year ending March 1976, had sales of £19m. and the trading profit "will double that for the previous best year for the company."

Action call on Burmah stock sale

By Michael Lafferty

A SPECIAL REPORT on all events surrounding the sale of Burmah Oil's 21 per cent. stake in BP to the Bank of England in January last year is expected to be called for at Burmah's annual general meeting in Glasgow to-day.

The demand comes from the Burmah Shareholders Action Group which will also seek an assurance that the company will be taking legal proceedings against the Bank of England over its £179m. purchase of the stock, which is valued at about £500m.

If the action group does not get satisfaction on these points to-day, it says that it will call an extraordinary general meeting of shareholders within three months to ask the Board to explain itself.

The group claims to have the support of proxy votes representing about 7-8 per cent. of Burmah equity. Mr. Jonathan Stone, honorary treasurer, said that well over 10,000 proxy cards had been delivered to the company in the action group's favour. "I would be surprised if they accounted for fewer than 10m. votes, so it is clear we have a substantial mandate."

The action group said that it had been advised by counsel that the company had a course of action against the Bank. Mr. Stone believed it inconceivable that the company had not also been advised that it had that course.

Burmah's case would concern the validity of the stock sale in late January last year and the Board's agreement some weeks earlier to pledge the stock to the Bank in return for a guarantee of up to \$650m. of borrowings.

Burmah said on May 21 that it had agreed in principal to sell its main oil and gas business in the U.S. to R. J. Reynolds for \$520m. cash, which, with earlier sales, would cover most of the borrowings guaranteed by the Bank.

Mr. Stone thought that as a consequence the company was in a stronger position to press its legal case.

He said that recent comments by Mr. Alistair Down, the Burmah chairman, that the Board might consider seeking an injunction against the Bank of England if the Bank decided to dispose of the BP stock are likely to inhibit potential buyers until the question of title has been settled.

Left, Right hit at EEC membership

BY REGINALD DALE, EUROPEAN EDITOR

ANTI-MARKETEERS from both ends of the political spectrum launched a renewed offensive agains the terms of British EEC membership in London yesterday, to coincide with the first anniversary of the referendum.

While Mr. Enoch Powell, who is Ulster Unionist MP for South Down, told a "Safeguard Britain Campaign" Press conference that the U.K. was in no way bound to remain in the EEC, members of the Labour Common Market Safeguards Commitee said the referendum's Yes to continued membership must be respected.

Mr Anthony Wedgwood Benn, the Energy Secretary, said at the Labour meeting that he still accepted the referendum's verdict, but stressed that the U.K. must solve its own problems in its own way. The same went for Germany, France and Italy, he added.

Public 'conned'

Mr. Ron Leighton, chairman of the Labour committee, said the aim must now be to "limit the damage" of membership by monitoring EEC developments that might affect British interests. One year after the referendum the "high-flown, windy rhetoric" of the pro-Marketeers rang very hollow, and the general public felt it had been "conned," he told the Press.

In a pamphlet published yesterday the Labour committee says that in economic terms the EEC has been a major disaster for Britain. "A £1bn. deficit on trade in manufactured goods alone, heavy extra costs to us because of the Common Agricultural Policy, with more to come, rapidly rising net contributions to the Community Budget, migration of capital away from Britain to the heartlands of the Continent, these are grievous blows to our balance of payments, the stability of our currency, our current standards of living, the level of unemployment, and our industrial and economic prospects in the future. Even our oil is not safe.

"There is unfortunately not a sign of any of the compensating economic advantages from EEC membership, either now or in the future, about which so many lavish promises were made."

Committee members claimed that Parliamentary control of EEC legislation aws totally unsatisfactory, particularly in view of the increasing number of "package" agreements in Brussels, involving more than one issue. Rather than boost the European Parliament by organising its direct election, British interests would best be served by strengthening the Council of Ministers vis-à-vis the Commission, and making the Commission more directly responsible to the Council, the pamphlet said.

Ministers should be made more accountable to each country's Parliament, and thus subject to democratic control. It would then not be necessary to introduce the extra layer of elected representatives.

BENN: Referendum verdict accepted

POWELL: U.K. is not bound

● Donald Maclean writes: There was "no question" of the U.K. being bound by honour or by good faith to the Common Market, Mr. Powell told the Safeguard Britain Campaign Press conference. A change of mind was taking place, he maintained, over the question of the U.K.'s membership being continued. "Deep down the British people areindependent."

The Cod War illustrated that the day of the "small nation-State, even the tiny nation-State," was not over. On the contrary, the national State could impose its will within its own environment "more effectively than 50 or 100 years ago."

Britain had been defeated and humiliated in the Cod War, however, "not so much by Iceland as by the fact she herself has lost soverignty over her own seas by membership of the European Economic Community."

The U.K. had through its membership of the Common Market been made powerless to exert "the unrivalled bargaining power which a 200-mile economic zone round the U.K." would otherwise have given.

"The Conservative Government which acceded to the EEC without securing Britain's maritime rights and the Labour Government which concluded its so-called renegotiation without doing anything to reassert those rights both share the blame and the shame."

It is was clear, Mr. Powell said, turning to the question of electoral representation, that the Government intended "Parliament and the country to be hustled into direct (EEC) elections which would "seal the extinction of Britain's Parliamentary independence and self-government."

Direct elections "would endow the EEC, to which the European Communities Act 1972 transferred the legislative and fiscal supremacy of Parliament, with direct democratic authority." Parliament could not long maintain "any claim" to supervise or control what the directly-elected representatives of the U.K. had already controlled or approved in the EEC.

● The Common Market is in "serious trouble," Mr. Bryan Gould, chairman of the Safeguard Britain Campaign, said at the conference. The growing divergence between member economies, to which EEC policies largely contributed, had shattered the joint-floating exchange rate system and "killed stone dead the prospect of economic and monetary union."

The Common Market: Promises and Reality, published by the Labour Common Market Safeguards Committee 72 Albert Street, London NW1 7NR, 50p.

More victims of crime must claim, says MP

FEWER THAN one in five victims of violent crime claim compensation, Mr. Charles Irving, Conservative MP for Cheltenham, and chairman of the National Victims Association, says in a letter to chief constables of main British cities.

He asks chief constables to follow the "shining example" of South Wales police and ensure that victims know their compensation rights. The chief constable there has said victims must be told of their rights to claim from the Criminal Injuries Compensation Board.

Since the Board was set up in 1964, more than 400,000 victims of violent crime had *failed* to claim compensation, Mr. Irving adds.

The South Wales decision "is the breakthrough we have been fighting for. After many years' campaigning, here is the first sign that society intends to take seriously its responsibility to the forgotten victims of violent crime."

Saltzman in deal to buy Shepperton Film Studios

BY ARTHUR SANDLES

MR. HARRY SALTZMAN, the film producer best known for his work on the James Bond adventure pictures, is negotiating to buy Shepperton Film Studios from Mills and Allen (Vavasseur). Unless there is an unforeseen hitch the deal should be completed within two weeks—and then Mr. Saltzman plass to return the studios to full operational status.

The deal includes both the present 20 acres of studior land and a further 40 acres which were expected to be sold to the local authority for housing. Mr. Saltzman wants to use the full 60-acre site, once the film-making flagship of British Lion and later Lion International, for pictures.

"There will have to be talks with Mr. Alan Sapper (who heads the main film union, the ACTT) over manpower," Mr. Saltzman told me last night.

At the moment Shepperton is a "four wall" operation offering only basic facilities. Film-makers who rent the studio have to provide their own staff. If this system is upgraded it will put Shepperton back on a competitive par with Elstree (EMI) and Pinewood (Rank).

Canadian-born Saltzman is confident he will get the six to nine films a year needed to make a bigger operation a success. More than half of these would be full-scale feature pictures, the others smaller productions. Commercials and television material would also be made.

One of the reasons for the renewed interest in the film studios is the rapidly falling value of sterling, which is making the U.K. once more a financially attractive place in which to make pictures. This lowering of real dollar costs coincides with moves within the U.S. to close tax loopholes which had attracted vast amounts of local cash into films from unlikely sources because of attractive taxation benefits.

The State-backed National Film Finance Corporation still has an interest in Shepperton via a single voting share which in fact has the power of veto over any deals. However, Sir John Terry, chief executive of the NFFC, said last night that he was delighted with the news that talks were in progress

It is difficult to put a price on the deal since much depends on the attitude of the local authority to the prospect of losing the 40 acres of building land. Sinco Shepperton has not been a major money spinner in recent years, although it has done much better as a "four waller," the selling price is likely to be in hundreds of thousands rather than mililons.

Hurd attacks honours 'abuse'

BY PETER HENNESSY, LOBBY CORRESPONDENT

MR. DOUGLAS HURD, Opposition spokesman on European affairs and former political secretary to Mr. Edward Heath, said yesterday that the honours system had to be rescued from Sir Harold Wilson, who had abused it.

Though he did not mention Mr. Hurd by name in Wednesday's statement on his resignation honours list, Sir Harold is understood to have had him in mind when he referred to former prime ministers whose political secretaries had access to classified documents and gave advice on policy formulation.

He contrasted this with his own political secretary, Lady Falkender, whom Sir Harold insisted did none of these things.

The honours system, said Mr Hurd, should not be a means of rewarding a Prime Minister's cronies in Fleet Street or in the worlds of sport or entertainment.

Service should be the only test, nor should it be used to give

"Every time an honours list is abused for such purposes it cheapens the honours given to thousands of men and women who have actually given some service to the State. That is the consideration which lies so sadly beyond Lady Falkender's horizon," he told a Conservative meeting at Blandford, Dorset.

Scots council rents double in five years

COUNCIL HOUSE rents in Scotland have nearly doubled in the past five years, but the average last year was still less than £3 a week, the Scottish Development Department reported yesterday.

The average rent on September 30 last year was £150.67 a year—or 2.89 a week—a rise of 24p a week since the end of the rent freeze in May, 1975. In 1971, the average was £79.29 a year.

Stirling had the cheapest average at £104 a year, and Edinburgh the dearest at £203. Glasgow's average was £167.

The number of council houses in Scotland totalled 852,565. During the year 166,744 tenants received rent rebates, at an average of just over £2 a week.

● The Scottish Special Housing Association is to build 2,000 homes in the first stage of a £120m. redevelopment plan for Glasgow's end end.

Steel scrap export rules eased

BY ROY HODSON

A GOVERNMENT decision to ease regulation for the export of steel scrap to countries outside the European Economic Community was announced yesterday as an independent survey forecast a continuing shortage at home and abroad.

The relaxation follows talks between the Department of Industry and the British Scrap Federation.

From July 1 the issue of licences will be based upon a new system. To be eligible for a nicence an exporter will have to show that he has been trading for at least 12 months in overseas markets and has handled at least 7,500 tonnes.

The existing regulations requiring evidence of export contracts as a basis for issuing export licences will be abolished.

Interested exporters must apply for an allocation to the Department of Industry. Allocations will then be made for the third quarter of this year.

Britain's principal scrap export business is with Spain. As scrap prices have risen in the home market during this year there has been concern that unlicensed scrap has been exported outside the free market operating within the EEC and has thus been lost to the British and other EEC steel industries.

Bright outlook

A new independent report* foresees good business ahead for the industry which is already reclaiming £1,250m. worth of metals a year — nearly £400m. in ferrous scrap and £850m. in other metals.

In order to handle a continuing brisk demand for scrap, the Jordan Dataquest survey concludes that the British scrap industry will need a greater degree of price and demand stability to warrant greater investment in recycling equipment. It will also need Government co-operation and the help of manufacturers in making products which will be easier to recycle at the end of their working lives by breaking them down into basic metals.

iWth 10,000m. tin cans being used each year in Britain the total amount of tin can metal ending up on rubbish tips is estimated to be some 750,000 tonnes annually. Probably less than one-fifth of that metal is being reclaimed because of difficulties in collection and processing.

The report draws attention to the establishment of a company, Material Recovery, which has been set up jointly by the British Steel Corporation, the Metal Box Company, and Batchelor Robinson, to extract tin cans from tips and separate out the tin, steel, and aluminium.

* *The Scrap Metal Processing Industry, published by Jordan Dataquest Ltd., 47, Brunswick Place, London, N.1, price £48.*

BANK RETURN

—	Wednesday June 2 1976	Inc. (+) or dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	18,414,782	+ 90,38[illegible]
Special Deposits	1,004,500,000	—
Bankers	332,365,557	— 27,861,3[illegible]
Reserves & Other Accs	563,502,256	+ 66,576,[illegible]
	1,933,335,575	+ 38,835,9[illegible]
ASSETS		
Govt. Securities	1,560,604,840	+ 48,445,00[illegible]
Advances & Other Accs	240,567,848	— 7,279,79[illegible]
Premises, Equipt & other Secs	80,921,483	+ 144,75[illegible]
Notes	21,169,076	— 1,408,15[illegible]
Coin	200,328	+ 27,0[illegible]
	1,903,365,576	+ 39,855,4[illegible]
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	6,475,000,000	+ 75,000,000
In Circulation	6,453,830,924	+ 76,402,153
In Bank'g Dep't	21,169,076	— 1,408,15[illegible]
ASSETS		
Govt. Debt	11,015,100	—
Other Govt. Secs	5,703,679,[illegible]	+ 29,710,187
Other Securities	760,304,931	+ 45,290,813
	6,475,000,000	+ 75,000,000

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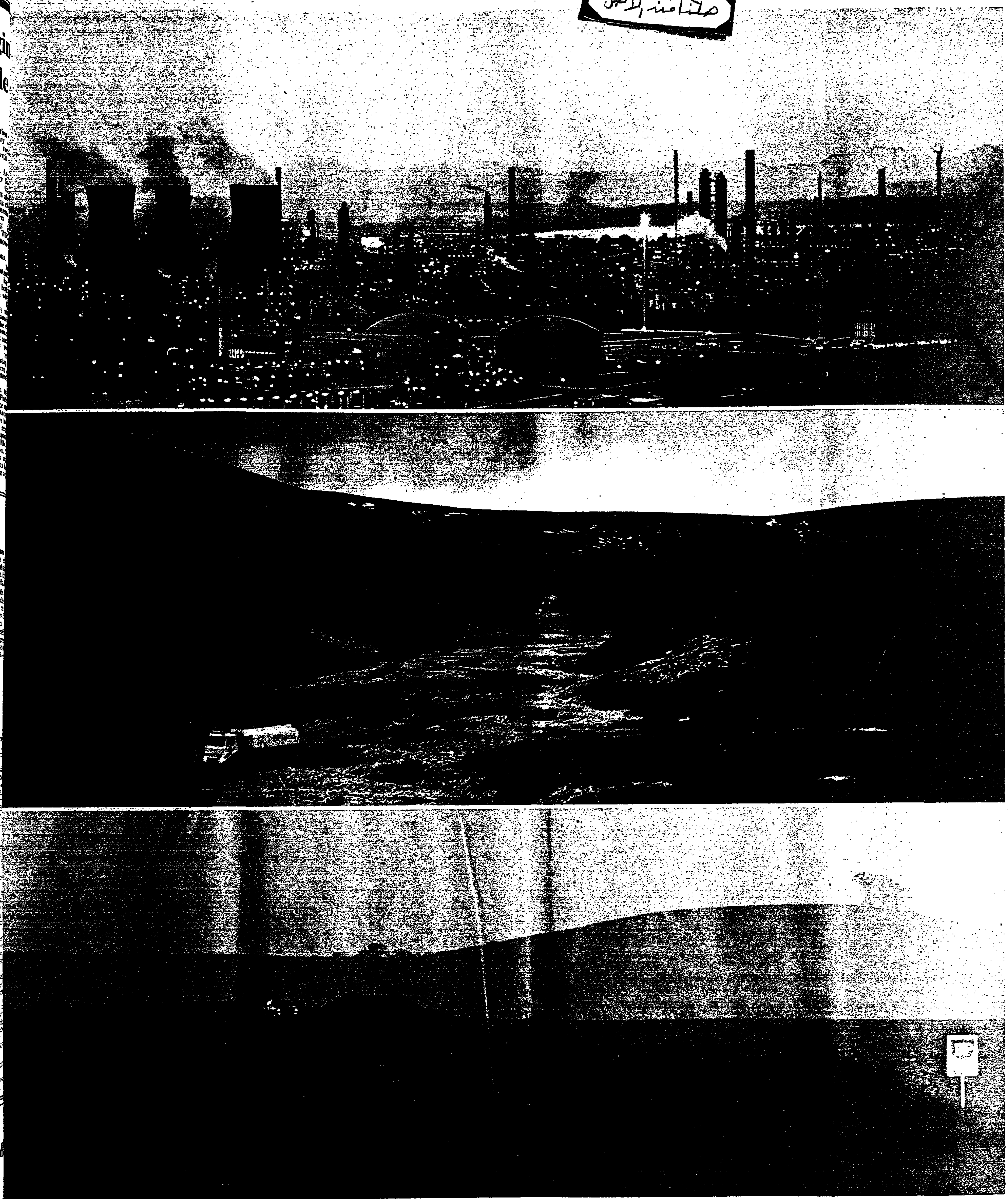


Guess which oil company is working harder for everyone?

BP Oil is a new, 100% British company. As a new company we have a new slogan:

Working harder for everyone.

It's not advertising puffery. We actually mean it.

And for a good reason. We're a lean company. Which makes us efficient and accessible.

From the refinery to the service station, from industrial supply to home delivery, you'll find us fast on our feet.

In a competitive business, we're a competitive company.

Why?

Simply because we have the one thing every new company must have.

Enthusiasm.

BP Oil.
Working harder for everyone.

LABOUR NEWS

Building workers urge immediate rise in construction spending

BY CHRISTIAN TYLER, LABOUR STAFF, IN SCARBOROUGH

BUILDING WORKERS yesterday demanded an immediate and substantial increase in capital expenditure for construction work. Unemployment in their industry is running at more than 200,000 out of a total labour forceo f some 1½m.

Delegates of the Union of Construction, Allied Trades and Technicians, who on Wednesday voted against TUC-Government deals on wage restraint, called for an immediate reflation of the economy and for a look at selective import controls. They carried a resolution which said that a major contributory factor to the rise in general unemployment was the Government's cutback in public expenditure.

Supporting the resolution, Mr. Tony Roots, from London, estimated present unemployment in the industry at 300-350,000 and pointed to a forecast of 400,000 out of work by the end of the autumn if present Government policies continued. Another speaker said that expenditure cuts were necessary but that the construction industry was taking a disproportionate burden whole other industries were getting help. He suggested this as one reason why the conference did not support incomes policy.

Mr. George Smith, general secretary of UCATT and a member of the TUC general council, said that he, too, was critical of the public expenditure programme but pointed out that the White Paper did not set out actual cuts, but a reduction in the growth of spending.

He opposed the call for reflation saying that the strategy was to increase industrial investment and so create wealth which would allow public expenditure to rise again.

Earlier, the conference was urged by Mr. David Ennals, Social Services Secretary, not to break ranks with the trades union and labour movement and to support the next stage of the incomes policy in practice even though they had voted against it. He described their vote as a challenge t othe policy.

The conference also decided to call for a ban on handling of asbestos because of its dangers and a recent statement by the Ombudsman on deaths due to asbestosis.

Building workers have already refused to handle the material in some places including the Barbican site in the City of London where 500 are on strike over the issue.

Delegates also registered their disappointment with Government action on demands for decasualisation of the industry. They carried unanimously a resolution calling for a construction manpower Board along the lines of the Dock Labour Board, and for immediate discussions with employers for a registration scheme for all building workers.

The Government has set up a manpower Board, but it has only an advisory role.

Power union begins recruitment battle

BY DAVID CHURCHILL, LABOUR STAFF

THE BITTER inter-union battle to recruit over 100,000 professional engineers and middle managers in private sector companies hotted up yesterday with the 33,000-member Electrical Power Engineers Association, formally launching its recruitment campaign.

As already reported in the Financial Times, the TUC-affiliated EPEA yesterday said it was moving outside its traditional recruitment area—the electrical supply industry—and enlisting other managerial grades, especially professional engineers.

This follows a pace-setting report earlier this year by the 15-body Council of Engineering Institutions. It recommended that engineers should join trade unions to protect their status and living standards, as well as preventing forced membership of unions dominated by manul worker under closed shop laws.

Challenged

But the EPEA's bid to recruit in this area—potentially the fastest growing area of unionisation—will be challenged two other TUC-affiliated unions as well as a number of non-affiliated unions.

Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, said yesterday that he would take the EPEA to the TUC's disputes committee under its "no-poaching" rules as ASTMS was already involved in recruiting these managerial grades.

Mr. Jenkins said that only the construction industry was still open to managerial recruitment without clashing with another TUC union.

But the Technical, Administrative and Supervisory Section of the Amalgamated Union of Engineering Workers also claim that it is the obvious choice for professional engineers and associated managers in the engineering industry. It would also appeal to the TUC if the EPEA attempts to move into its recruitment areas.

Mr. John Lyons, EPEA general secretary, yesterday played down this potential conflict, arguing that his union would complement both TASS and ASTMS in areas where they were not involved. He also wanted to hold talks with both unions under the auspicies of the TUC to clarify the situation.

The EPEA's expansion, narrowly approved at its annual conference earlier this year, will initially involve a series of mergers with small staq associations in the engineering industry to form a new federal union structure.

A merger between the small U.K. Association of Professional Engineers, which since its formation in the late 1960s to represent professional engineers has failed to secure any major negotiating agreements with companies, and the EPEA also seems likely.

Mr. John Sampson, UKAPE general secretary, last night confirmed that discussions had been held with the EPEA on a possible merger.

Lorry drivers to strike over tax proposals

HEAVY GOODS vehicle drivers in the Northampton area yesterday voted to join the nationwide protests by lorry drivers against Inland Revenue proposals to tax overnight allowances.

The 1,000 Northampton men, members of the Transport and General Workers' Union, will stage a 24-hour token strike on Monday. This will follow similar action by drivers in other parts of the country.

Last week work in Avonmouth docks was delayed when 4,000 drivers, members of the TGWU and the United Road Transport Union, went on strike for four days.

The drivers object to providing details of their accommodation for income tax purposes under plans to tax overnight subsistence allowances above £4.50.

Union officials have raised the issue at national level, and a national meeting of shop stewards has been called for Birmingham later this month. This is expected to demand a change to the tax position.

Many drivers say they are refusing to sign certificates indicating where they have spent the night when working away from home.

Vauxhall row on gardening steward

By Our Labour Staff

SENIOR UNION representatives at Vauxhall Motors' Luton plant yesterday withdrew from meetings with the management in protest against a decision to make a Left-wing shop steward work as a gardener.

The factory's two senior Transport and General Workers Union officials leit their office and returned to jobs on the production line, halting contact between the union and management.

Union leaders have warned that there may be a walk-out unless the shop steward, Mr. Joe McGonigle, 29, is reinstated to his normal job as a point sprayer. He was suspended after an incident which led to his being fined for assaulting a fellow worker and has now been re-employed by Vauxhall cutting grass.

Mr. McGonigle, who says he dislikes gardening, yesterday accused the company of thinking up the "worst possible job" to pay off old scores. He is receiving the top skilled rate of £64 per week, but says he still wants his old job back.

Vauxhall said it was honouring its commitment to find Mr. McGonigle another job. But the present arrangement was only temporary and efforts to find him a permanent post were continuing.

Jobs at stake warning by Wear Valley

ABOUT 20,000 people will move out of the western region of County Durham if present job and population trends continue, according to a report published yesterday by Wear Valley District Council.

It said investment was being concentrated on a central corridor from Darlington northwards to Chester-le-Street. Unemployment in Wear Valley was rising faster than anywhere else in the county and the future looked bleak.

A special meeting of the council is to be held later this month to launch a campaign aimed at attracting investments to the area.

Blue-collar £6 deal at ICI

SOME 55,000 manual workers at ICI yesterday accepted a pay settlement of £6 a week increase from next Monday. The agreement negotiated by representatives of the six main unions, gives a pro rata increase for employees under the age of 18.

The settlement follows an agreement earlier this week for £6-a-week rises for some 9,000 ICI senior managerial and scientific staff.

Labour head for Post Office

MR. LAURIE HETHERINGTON is the new head of industrial relations at the Post Office, with responsibility for developing and implementing the corporation's attitude towards its trade unions.

He takes on the new job from the present industrial relations director, Mr. J. Sayers, and is also taking on the work of Mr. W. Pounder, formerly director of employment policy.

IPC Business Press awards

IPC BUSINESS Press has named Mr. Travers Legge of Farmers Weekly, Editor of the Year, in its editorial awards for 1975-76. Mr. Legge, who receives £500, has taken the award for the second year running.

Mr. Mark Allen, editor of Community Care, comes second (£250), with Mr. Mike Ramsden, editor of Flight International, third (£150). A commendation and £50 goes to Mr. Ray Hutton, of Autocar.

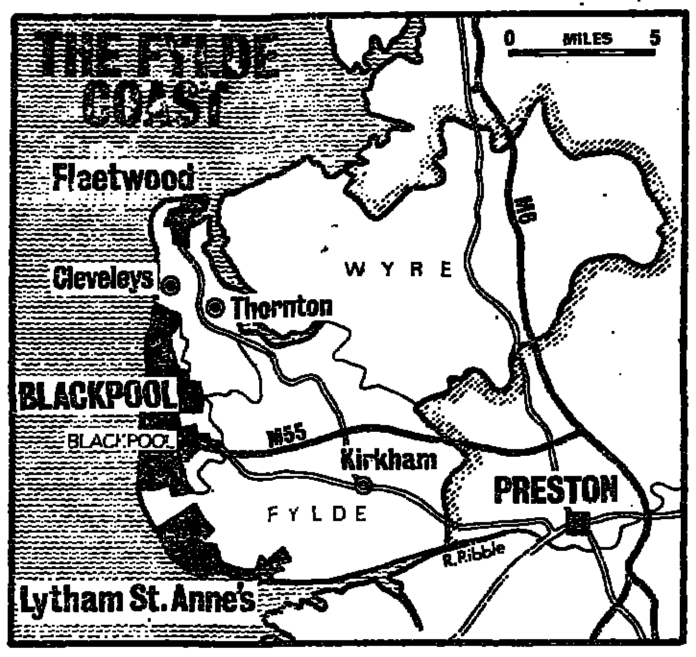
The awards will be presented to the winners by Sir Keith Skinner, chairman and chief executive of IPC Business Press, at the Tower Hotel, London, on July 1.

FINANCIAL TIMES REPORT
Friday June 4 1976

The Fylde Coast

Lancashire's Fylde Coast houses a wide variety of seaside resorts, some, such as Blackpool, brash and successful, others more genteel. But in spite of active agricultural and industrial sectors, the area cannot generate enough employment to prevent an exodus of labour.

Resorts for all tastes



BLACKPOOL IS the most successful holiday resort in Britain. This year, with its traditional kaleidoscope of summer entertainment supplemented by an endless string of special events to celebrate the centenary of its charter, it expects 6m. people to make 16m. visits. Three-and-a-quarter million will spend at least four nights in the resort, the remaining 12.75m. visits will be for shorter periods and day trips. If the sun shines and the crystal ball of the English Tourist Board is correctly calibrated when it predicts fewer holidays abroad and more at home, then Blackpool, which is not greatly given to false modesty, is ready to concede it might do even better. After several very good seasons, including a burster last year, seaside spirits have been lifted.

The superlatives are not Blackpool's alone. A special stud by P AManagement Consultants recently described it as "unique among resorts and unlike anything on the Continent, dominating the tourist scene in the North-West, accounting for around 40 per cent. of all tourist trips and well over half the holiday trips."

The hundred years of the town's charter have seen its greatest progress, including the building of its seven miles of promenade, three piers, 42-acre Pleasure Beach, theatres, entertainment centres and leisure amenities. In 1894, the same year as Queen Victoria opened the Manchester Ship Canal, the North-West gained a second major landmark — the 518 feet Blackpool Tower, a symbol and a legend and the place where the lion allegedly swallowed little Albert in "a town of fresh air and fun."

According to the consultants' report: "British holidaymakers have a good knowledge of the attractions of seaside resorts, especially those of Blackpool." Not improbable, since Blackpool's attractions also include eight live shows, 11 cinemas, six ballrooms, 18 cabaret lounges, over 50 clubs, three casinos and many discotheques. Yet how many visitors are as knowledgeable about the highly contrasting and less extroverted face of the Fylde region of Lancashire that Blackpool dominates?

Three authorities have administered its resident population of 318,000 since local government reconstruction: Blackpool (150,000), Wyre (98,500) and Fylde (70,000). Both are growing faster than Blackpool, where population statistics have now been virtually static since the early 1960s. Between 1961 and 1974 Wyre gained 20,500 and Fylde (which in fact administers only part of the Fylde region) 10,400. Both are holiday centres in a different key to Blackpool. Both include attractive residential areas in keen demand, some in pleasant countryside settings. These make up the modern commuter "villages" of an area which has long-established commuter traditions.

Bustle

Parts of the Fylde are a world removed from the bustle and brashness of Blackpool's Golden Mile. Sizeable communities have no tourism involvement. Apart from the holiday, fishing an dshipping centre of Fleetwood, the hotels and guest-houses of Cleveleys, the sought after residential avenues of Poulton-le-Fylde (in one a house recently changed hands for £75,000) and the £10,000 riverside housing plots at Hambleton, the Wyre district reaches back from the sea across the fertile agricultural plain of the Fylde, with its prosperous dairy and poultry farming, to the attractive old market town of Garstang at the foot of the fells that stand as outer guardians of the Forest of Bowland.

There is a live concern for conservation, with proof in areas like the village centre at Scorton and the old village of Churchtown, where the need for controls was recognised because of the danger of development stemming from its rural setting coupled with good communications. Similarly, Fylde district is a contrast of seaside resort in Lytham St. Annes, developing villages, agricultural ando horticultural areas and the inland township of Kirkham.

There is only one Blackpool and the other Fylde resorts do not attempt to compete. Lytham St. Annes has a gentle, if not genteel, air about it and the civic philosophy is unambiguous in wanting to keep it that way. "We are a family holiday resort and the council has always tried to maintain a quiet family atmosphere," says its spokesman. Holidaymakers in St. Annes like to play bowls, tennis, putting and pitch-a nd-putt. The council had hopes of a new hotel on the site of the former large Victorian-style Majestic Hotel, but this has yet to happen.

Wyre has few pretnesions to gentility and is happy to described its holiday appeal as centred on "the bright and breezy resorts of Fleetwood and Thornton-Cleveleys." There are things to see in Fleetwood denied other Fylde resorts, including the deep-water trawler fleet of the third largest fishing port in England and Wales setting out for Icelandic waters, summer sailings across the Irish Sea by vessels of the Isle of Man Steam Packet Company, and more recently the developing tempo of a daily rool on-roll off operation between Fleetwood and Northern Ireland and the Irish Republic. Fleetwood would be well equipped to take advantage of growth in specialised subject holidays, particularly with its boating facilities.

Divisions

Away from the promenades, piers and holiday coast the Fylde can claim a significant stake in several technologically advanced industries. In aerospace it includes the BAC factory and airfield at Warton, technically the headquarters of the group's military aircraft division. Fylde workers are also employed at BAC's two other local plants at Preston and Samlesbury. At Salwick, British Nuclear Fuels, a wholly-owned subsidiary of the United Kingdom Atomic Energy Authority, is one of the largest local employers. ICI is another large employer, with its Wyre complex touching on three different divisions.

This coastal corner of Lancashire has special reason for studying the progress of undersea oil and gas exploration. Fleetwood has been the servicing base for the rig which has carried out drilling off Fleetwood and Blackpool on behalf of the British Gas Corporation at intervals during the past three years. Fleetwood has dockside land available as well as port facilities and would be well equipped to become a regular base if Irish Sea wells provide to be commercially viable.

The Fylde is also an important vehicle and component production centre, a light engineering area with a reputation for versatility, and one of the main bases of Government department office work in the North-West, with considerable potential for private sector office employment as well. But in fact the Fylde is a net exporter of labour and there is anxiety about the area's failure to generate enough new jobs to find employment for more of its residents locally.

Meanwhile, despite a decline in service sector employment, the Fylde holiday industry, especially Blackpool, is reasonably confident at the start of a new season. Blackpool has bounced back since the inroads made by package tour operators with their bargain basement trips to Spain in the 1950s. Recovery dates back to the early 1960s and has been strong.

There has been criticism that North-West resorts are not attracting enough foreign tourists, but Blackpool at least is trying. Last week it reached what must be a plateau of success when it attracted over 800 pensioners from France, Germany, Denmark and Britain for a week's early season holiday and sat them down together for a session of multi-lingual bingo. The package—if not the bingo — was seen as a pioneer venture which could be developed into a much bigger thing in future.

One significant change in Blackpool, a resort created by local capital and initiative, is the degree of outside control. EMI owns the Tower, Winter Gardens, ABC and Grand Theatres; Forte operates the three piers; Rank and Mecca have interests in the town. Another outside group, the Coral organisation, is to develop the key Central Station site. Blackpool's view is that this outside investment demonstrates faith and confidence in the future of the resort.

If Blackpool has an indentifiable need it is for two or three major new quality hotels with a four-star rating. A new 2.. bedroom hotel on the Pembroke Gardens site, now nearing completion, is the first since 193.

This Report was written
by TOM HEANEY

Unemployment a growing worry

THE SEASIDE towns of the Fylde start with a flying lead over many other industrial communities when it comes to selling themselves to footloose industrialists: a clean environment, good infrastructure, room for expansion, a setting of seaside and countryside, and the hard-to-quantify atmosphere and mood of a bright holiday centre which can influence attitudes. The truth is that the Fylde has few of the debilitating problems created by age and industrial obsolescence and dereliction, and should stop drawing parallels intended to demonstrate that it is a poor relation, in terms of government assistance, to a sub-region like North East Lancashire which is not even linked to the national motorway network yet. There is no doubt about the Fylde's need for many more jobs and there is justification for its irritation with the argument that its problems are merely the consequence of the seasonal nature of its main economic activity. Last July, at the height of the summer season, Blackpool alone had 8.5 per cent. of its adult men out of work. By January this year it had risen to over 4,000 men unemployed in Blackpool alone, equal to 14.6 per cent.

The basic need is for more manufacturing industry providing jobs for men, broadening the area's industrial base and creating employment opportunities which would help to halt the outward migration of younger people. A "dangerous over-dependence" on the service sector is underlined by statistics showing a ratio of over 73 per cent. in Blackpool itself, to just under 69 per cent. in the Blackpool "travel-to-work" area, which covers Blackpool, Fleetwood, Kirkham, Lytham St. Annes and Thornton Clevelys and is more dive sified. But in seeking more manufacturing employment it is clear that the type and scale would have to be such that the basic character of a holiday region for the masses was not put at risk.

Unlike some other aress of the north-west, the Fylde is fortunate in having a manufacturing sector which is largely involved in modern products and not bedevilled by progressive decline on the scale of that undermining, for example, the textile industry of Lancashire. Most of the Fylde's largest manufacturing employers have a strong technological bias.

In a series of representations to Westminster the Fylde authorities have singled out the vulnerability of the local military aircraft industry to cuts in defence spending, not without cause. But at the present time the region has more work than any other aerospace area in Britain and this is likely to be the position for some time to come.

The three factories of the British Aircraft Corporation in the Preston and Fylde area employ 12,500. At the end of June the Government is due to give the final production go-ahead to the MRCA—Multi-Role Combat Aircraft—and this will mean work well into the 1980s. The aircraft—the RAF will have 385—has been officially described as "the largest single project central to the whole of our air

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Holiday highway welcomed

LAST YEAR was a very good one for the holiday industry of the Fylde coast, arguably the best for at least a decade. There were long days and weeks that had the stamp of the vintage years of the early 1950s all over again. The weather, of course, made a memorable contribution, stimulating not only large numbers of visitors but a new confidence in the future of the home industry.

Just in time for the summer peak the Fylde got its long-awaited link to Britain's national motorway network, the 12-mile M55, by-passing the high season traffic congestion of Preston and the existing A583 and bringing the north-south M6 within 15 minutes' driving time of the coast. Predictably, it was to be tagged the "holiday highway" (mercifully heading off the challenge of "seaside funway") and Blackpool was quick to lay claim to the title of "first seaside resort in Britain to have a motorway running right into its boundaries.

In fact, it was to benefit every local resort, although the long-discussed idea of a lateral road linking the £14m. M55 to Fleetwood and Lytham St. Annes would have set the final seal by completing the sub-region's motorway system. It was the 19th century development of railways that opened up the Fylde resorts and brought such rapid growth, but in the second half of this century it is the motor car that shapes seaside thinking and influences change, more so in the Fylde perhaps than in most other parts of the country. Now, with the M55 not one year old, Blackpool is claiming a net increase of 30 per cent. in traffic entering the town.

So far much of this extra traffic has underlined the findings of an independent survey of North West tourism, commissioned by the English Tourist Board and published last autumn, that 78 per cent. of holidaymakers using resorts like those of the Fylde coast come from the North West itself, the surrounding regions and Scotland. From this it goes on to argue that while the high rate of return visits—measured at 87 per cent. of all visitors—represents one of the great strengths of North West tourism, the level of dependence could also develop into a future weakness. Only 14 per cent. of holidaymakers attracted to North West resorts came from the East Midlands or the south of England.

Blackpool and the other Fylde resorts could probably claim better performance figures than this region-wide average. Nevertheless, they have been aware for a long time of the need to widen their catchment area and have been working to do so. Blackpool in particular is able to claim solid gains in the Midlands. But the completion of the M55 might well bring new opportunities. The North West Tourist Board believes there is considerable sales capital to be made out of the fact that it is now possible to drive direct to the Fylde by motorway from virtually any part of the country. The Board sees new possibilities in "untapped" regions, citing Bristol and London as two examples.

The beach at Blackpool

A visitor returning after an interval of ten years or even fewer (as the opposite end of the scale Fylde resorts boast of people who make ten visits in a single year) would find some significant changes. Once it was convinced tastes and traditions were changing the local holiday industry showed considerable flexibility in adapting to new patterns of demand, such as that generated by car-owning tourists whose itinerary involved a stay in any one place of only a couple of nights or so.

Changes

One of the most striking changes has been the scale of conversions of traditional holiday accommodation to self-contained flats ("TV, fridge, private bathroom"), responding to the growing market for self-catering holidays. All the main Fylde resorts have shared in this transformation, none more so than Blackpool, archetypal seaside landlady resort. Conversions to flats are believed to be largely responsible for a reduction in the number of hotels and boarding-houses from nearly 3,300 to just over 2,000 between 1961-71.

The seaside holiday industry was becoming less labour-intensive and in the same ten year period there was a drop of almost 3,000 in the numbers employed in "miscellaneous services" at Blackpool, equal to 19 per cent. and reflecting, according to the local authority, "the changing habits of holidaymakers and the increased movement towards cheaper self-catering holidays in tents, caravans and holiday flats as opposed to hotels and guest houses." "People don't want to be tied to the clock when they are on holiday nowadays," explains Blackpool Holiday Flatlets Association. "They want freedom to decide for themselves what time of day or night they eat." On the other hand, inflation and pressure on individual pockets has also clearly got something to do with it.

Part of the appeal of Fylde resorts is their friendly familiarity. It has been calculated policy not to destroy it by bulldozing away large tracts in the cause of redevelopment. But this summer, strangely perhaps for a resort so heavily committed to the hotel business, Blackpool gains its first major new hotel since 1939. The development, overlooking the sea at the north end of the town, includes a 200-bedroom hotel, conference centre accommodating 1,100, parking for 650 cars and two petrol stations. In addition 200 luxury flats have been included in this scheme by a local developer, Pembroke Gardens Development Company.

As long ago as the late 1960s it looked as though the future of a prime site — Blackpool's former Central Station — had been decided. But the years wrought changes in schemes and developers alike. A firm start is now scheduled for November with a £3.25m. leisure complex (scaled down from a proposed £8m. development) by the Coral organisation. Its promenade frontage will effectively complete the rebuilding of Blackpool's "golden mile" entertainment strip, but not without controversy. Some critics dislike not only the style of the development but the implicit assumption that there is room and need for even more bingo in Blackpool. The resort is promised the largest leisure complex in the U.K. with 3m. visitors a year. A nearby new development, a Trafalgar House scheme on the former Palatine Hotel site, has been completed and provides 90,000 square feet of shopping, catering and entertainment area, not all of it yet let.

Enterprises

But at accommodation level the Fylde remains largely sustained by small or medium-sized family-run enterprises. Many have invested significantly in improvements: extra bathrooms, toilets, showers, sun lounges, lifts. Planning applications have been running at a high level. Many smaller places are now licensed and make a point of announcing that guests will be able to enjoy the privilege of their private cocktail bar.

Fylde coast resorts won their reputation and the loyalty of holidaymakers in providing the customer with what he wanted at any given time and doing so on the basis of competitive value-for-money charges, a phrase which recurs in conversations with Fylde businessmen.

There is a particularly strong belief in the merits of the small entrepreneur, especially in Blackpool. "There are so many of them," said one Fylde tourist official, "they simply have to be competitive." This season that could mean dinner, bed and breakfast for as little as £2.20, although £3.50-£4 would be a more representative figure. One seafront hotel in Blackpool is currently advertising bed, breakfast, lunch, high tea and supper for £4 plus VAT.

It is still an ambition of quite a few people to live at the seaside and own a guest house. "What we are trying to do is get away from the boarding-house image. Holidaymakers to-day are more discerning and more selective and expect higher quality accommodation," says Blackpool Hotel and Guesthouse Association (which has now eliminated the unfashionable "boarding-house" from its title). According to one Fylde estate agent, demand for guest-houses has been exceptional over the last six months, making it one of their "best seasons ever." An average 12-bedroom freehold guest house has been selling in the Blackpool area for £15,000-£20,000, fully furnished and equipped. A small guest house with seven or eight bedrooms, capable of being run by a wife while her husband goes out to work, can fetch £9,000-£12,000. But a typical Blackpool promenade hotel would be in the £50,000-£100,000 range. Inquiries are divided fairly evenly between local and outside clients.

If the level of activity achieved at Easter is any guide, this could be another good season. Changing holiday and leisure patterns are opening up new opportunities: the considerable potential in the trend towards second and even third annual holidays is just one of them. Car-ownership coupled with motorway access and reduced journey times promises even larger numbers of day-trippers and short-stay visitors.

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strategy." BAC's military aircraft division also manufactures the Jaguar at its Lancashire factories and in addition has nearly 2,000 staff in Saudi Arabia working on a £300m. contract ranging over flying training for members of the Royal Saudi Air Force to carrying out building, sewage and electricity installations.

Capability

Another major Fylde employer with a high technical capability is British Nuclear Fuels (UKAEA) which employ 3,000 at its Springfields works at Salwick. The plant produces fuel for all types of reactors, has manufactured 3½m. fuel elements over a period of 20 years, and exports to many parts of the world.

The Fylde has an established chemicals industry at Thornton, Wyre, where three divisions of ICI—Plastics, Organics and Mond—are involved and the area is seen as one with potential for ongoing development, although substantial investment is no longer a generator of new employment in this highly capital-intensive industry. A £3m. development programme by ICI Plastics Division at Hillhouse, Thornton, almost entirely centred on an oxy-chlorinating plant, will create only 14 new jobs.

Vehicle and vehicle component manufacture is well represented in the Fylde's manufacturing structure. Duple International has established a reputation spanning 56 years for its designing and building of high quality coach bodies. The group is also involved in textile and precision engineering, and Cheswick and Wright, a member of Tube Investments group, is a leader in exhaust system design and manufacture.

Although prospects for any significant growth at Blackpool Airport are limited, if only because of environmental problems, expansion is very much a feature of the port of Fleetwood. A £2m. investment by British Transport Docks Board has been followed by much activity and sharply rising unit load tonages. Pandoro, a P & O subsidiary, now has two vessels operating daily roll-on roll-off services to Ulster and the Irish Republic. Last year Fleetwood's trade topped 1m. tons for the first time and promises to do even better this year.

The future of Fleetwood's deep sea fishing industry is less hopeful. There has been steady decline over a lengthy period—in a quarter of a century the number directly employed in fishing has dropped from 2,500 to under 900, fish landings have been shrinking, and in five years the number of distant water vessels in service at Fleetwood fell from 34 to 24. There has been deep anxiety about the Icelandic conflict and long before Mr. Crosland flew to Oslo last week-end the local authority had conceded that at best the outcome of negotiations with Iceland must be "a further severe restriction" on the quantity of fish which could be taken. The Fleetwood fishing industry has proved its resilience in the past and has a modern trawler fleet, but the outcome of the latest negotiations has implications for dependent jobs in local transport and support industries as well as for trawlermen.

But there can be no doubt about the Fylde's potential for further growth as an office employment centre, especially now that the M55 has brought such a marked improvement in access. It is already a major centre of Civil Service employment with 7,000 dispersed jobs at the Departments of National Savings and Health & Social Security. This will be increased by a further 980 under the Government's dispersal programme. The Property Services Agency of the DoE is involved in an office building programme costing more than £12m. at two sites in the Fylde. One development is the first stage of a bonds and stocks complex at Marton, Blackpool, including a first permanent home for Ernie, the Premium Savings Bond genie. The second development, a £7m. PSA project for the DHSS, will be at Norcross, Wyre.

Offices

There has been little speculative office building in the Fylde but all the districts are keen to attract private sector office employment as well as Government departments. The outstanding private sector dispersal has been that of Guardian Royal Exchange Assurance which employs 1,150 in a parkland setting at Lytham St. Annes. The whole of the group's computer operations and the administrative side of its substantial life operations are based in Fylde. The quality of local staff is described as "good." The choice of Lytham St. Annes goes back to the early 1960s after the Guardian, before its merger with Royal Exchange, had carried out a wide ranging survey of out-of-town locations ranging from Brighton to Edinburgh. It was found that Lytham was equidistant from all the Company's interests and had a standard of school leaver academically "very suitable" for the type of operation. Rail and other communications were extremely good and it was known that an out-of-town operation of this kind would be much welcomed by the local authorities.

The Property Market

BY QUENTIN GUIRDHAM

Agents expand in the Middle East

While many British agents made the Middle East rounds in the days when petrodollars might still be guided into sterling investments, few established a permanent presence there. But among those who did, there now seems to be a mood of cautious expansion, based on rather different hopes than first took them there.

On Tuesday Jones Lang Wootton formally opened its Cairo office, having retreated from Beirut for obvious reasons. Expansion in Bahrain, where it has work in progress, is "not precluded." Debenham Tewson and Chinnocks, already in Bahrain, says there is a possibility of opening another Middle East office. Walker Son and Packham, who having started in the City of London in 1867 opened its first ever overseas branch in Cairo 18 months ago, is sending a third man out full-time.

Richard Caws of Debenham's says the original thought behind being the first British agent in the Gulf was twofold: simply better communication with investment clients in the Gulf and Saudi Arabia (remember Abu Dhabi's purchase of part of the Commercial Union building in the City and of Blackfriars House in Manchester): and the prospect of some specialised local work.

This lay mainly in advising banks. So much Gulf money is purposely kept outside the area that local development is often funded by European and American banks, who wanted professional advice on development, and sometimes permanent, finance.

From those two sources, Caws says, the Bahrain office achieved viability straight away. But it has now developed into a "completely catholic indigenous practice," letting offices, managing offices, advising on developments and doing a lot of residential work for the business community (which has been swelled by the exodus from Beirut).

One point he, and Jones Lang Wootton make is that they in no way went to the Middle East on the back of the British construction companies working in the area. These took their own professionals, besides the large number of independent British architects and quantity surveyors now working in the Middle East.

Debenham's now has four staff in Bahrain, and the Cairo office of Jones Lang Wootton has opened with three full-timers, the emphasis being on project management, and two more from London spending most of their time in the Middle East.

One of these, Philip Roberts, says that current project management contracts within Cairo involve 1m. square feet of new building, mainly offices. Again, the emphasis has changed since the start in Beirut, where they had gone initially not with the idea of local development but because that was where the Arab funds were channelled through. Now that Arab investment in British, and also European property, has diminished, much of Jones Lang's work is connected with the funds Egypt has attracted to develop its business and industrial property.

Cairo is still a capital with very few purpose built offices beside the government ones. The business centre is largely in converted flats. The activity by speculative office developers has now increased. From feasibility studies and project management, Roberts says the agency work in letting and purchasing should increase later.

Meanwhile he maintains Egypt has the location and population to sustain considerable economic growth, but that it would be dangerous to try to expand quickly. The opposition is tough, he says, with the French banking-property group BAII very active. And dealing with the government and private clients in Saudi-Arabia, Kuwait and the Gulf is a case where, "They hold all the cards. Unless you perform, you're smartly out."

Walter Son and Packham sounds cheerful about its Cairo office, though also warning that it must be a long-term venture. It begun because the firm had a partner who was an Arab-speaking chartered surveyor who was seconded to Commercial Union (CU Properties is active in Egypt) to deal with a new office in Egypt and decided there was an opening for an agency branch. The work is largely in feasibility studies and site assembly (they say that if British security of tenure is reckoned to make life tough for the redeveloper, you don't know anything until you have tried Cairo) and in valuation. The agency business is beginning to pick up, and an interesting sideline is in people who have had property sequestered by the Egyptian Government and may now be able to get it back.

INDICES OF COMMERCIAL AND INDUSTRIAL RENTS 1970 = 100

	OFFICES					SHOPS				FACTORIES
	LONDON			PROVINCIAL						
Year	City	W. End	Decentralised		Weighted Average	Class A	Class B	Class C	All	
1965	35	40	65	75	50	80	77	71	78	—
1966	40	45	70	75	55	83	83	76	82	—
1967	45	50	70	75	55	89	86	81	86	—
1968	50	60	75	80	65	88	87	85	89	—
1969	80	75	85	85	80	96	94	88	95	88
1970	100	100	100	100	100	100	100	100	100	100
1971	120	110	130	100	110	103	109	103	106	98
1972	130	120	170	110	125	117	115	110	116	105
1973	175	155	235	140	160	138	136	132	137	128
1974	185	170	330	175	185	161	161	154	160	140
1975	125	160	385	180	175	174p	174p	163p	173p	153p

DoE stats

The Department of the Environment has, for the first time, produced all its property market statistics in one publication, "Commercial and Industrial Property 1975: Facts and Figures." Much of the material has been published elsewhere, but it is useful to have it in one volume, and some of it is new, or presented in a new form.

For instance, this table on commercial and industrial rents has been prepared specially. The source of the data is the Inland Revenue Valuation Office. The explanation is as follows:

1. Shops rents relate to (A) first class shops in cities and large towns: (B) good second class shops in large towns, suburban shopping parades, and main shops in small towns and villages: (C) all others (including local "neighbourhood" shops). The total of rents agreed, in each class in transactions where new leases are reported during the year, is related to the total of Gross Values in the same transactions (1963 Gross Values until March, 1973, and 1973 Gross Values thereafter). The average column is based on the grand total of all classes reported in the year.

2. Office rents relate to modern office blocks in central positions. Data are based on the opinions of selected District Valuers, having regard to the evidence of market transactions. The average column is obtained by applying as weights approximate floorspace totals, derived from the area floorspace totals collected by the Valuation Office. (City 35, West End 65, other London 50, Provincial 250). The rents relate to rents per foot super for new leases, and do not include the rental equivalents of capital values from freehold deals.

3. Factory rents relate to units over 20,000 square feet. Data is based on transactions where new leases were agreed, and average rents are obtained from aggregate rents divided by aggregate square feet. Data was not available before 1969.

4. Throughout, the figures relate to "occupational" rents in lease agreements, and not to any rents implicit in freehold capital values.

The Department comments that the rents of all three classes of shops rose at similar rates, and that this rise was slightly faster than that in retail prices generally in 1973, but slower in 1975. The boom in City of London office rents and the 1975 fall is clearly seen. In "decentralised" London, rents rose rapidly from 1970 to 1974, but the rise in provincial office rents was modest. Factory rents fell slightly in 1971, but the general rise over 1969-75 was much in line with the rise in retail prices.

Now everyone can start arguing whether Whitehall has done its sums right. But this, and the Office Location Review which came out earlier this year, both look very useful publications. Copies of Facts and Figures are available from Room P2-108, Department of the Environment, 2 Marsham Street, London SW1P 3EB. They say they would like comments on it from the knowledgeable. And it's free.

OUT AND ABOUT

● John Brown, vice-chairman and managing director of Artagen Properties, who could not lead the British Chapter at the FIABCI congress in San Francisco as he had to stay at home to work on the Sun Life bid, was in his absence awarded the FIABCI Distinguished Services Medal. The citation mentioned British reports on finance, organisational structure and defence of the profession during his term as president.

● Grosvenor Square Property's refurbishment of Otterspool House, Watford, has been let to Bolinders, a subsidiary of the Volvo Group. The refurbishment produced a factory of 42,000 square feet including 18,000 square feet of offices and showrooms. The rent is about £1.85 a square foot. Letting was by Russell Cash and Company in conjunction with Gordon Hudson and Company. Bolinders were represented by Richard Ellis. Grosvenor Square is now looking to finance 65,000 square feet of new factories and warehouses in units from 10,000 square feet up, at the rear of Otterspool House.

● Trident Insurance Group, which already has its Trident Life office in Gloucester, has taken the whole of 14/18 Clarence Street, a development by Argyle Securities funded by a pension fund client of Richard Ellis. The development retained the period facade and provides 17,000 square feet of offices. Letting was by Bruton Knowles and Co. and Lalonde Bros. and Parham. Rent, agreed six months back, is around £1.70 a sq. ft., a level which has since been exceeded in other Gloucester offices.

● Pension fund clients of Edward Erdman have bought a long leasehold interest in Nos. 1 and 3, New Street, Birmingham and simultaneously acquired an existing leasehold interest of part of the property held by Stylo Barratt Properties. The entire premises are now leased back to trade as an enlarged "Barratts" branch. Total consideration of around £600,000 was involved. Vendors of the head leasehold interest were J. Lyons. Hillier Parker, May and Rowden acted for Stylo Barratt and Green Mandeville. Cannon and Partners acted in conjunction with Erdman for the pension fund.

● Barratt Developments has completed purchase of a site in Commercial Road, Lerwick, in the Shetland Islands for an office development of 25,000 square feet. Building will be by Barratt's Aberdeen subsidiary which says it currently has over £2m of contracting work in the Shetlands.

● A pension fund's £700,000 purchase of a new shop and office development in Church Street, Stanmore, Middlesex represents an initial yield of ... per cent., says Savills, who acted for the fund. The property was sold by developer clients of Ronald Preston and Partners. There is a double retail unit let to the Abbey National and offices totalling 7,700 square feet let to three tenants including Hambro Life.

● Corporation of London's 81,... square feet Bastion House, London Wall, is now being marketed. Debenham Tewson and Chinnocks, jointly instructed with the City Surveyor, say asking rents equate to £10.... square foot. For the whole building the price is £850,000 a year and for lettings by floor—there are 13 of them—the figure is £85,000.

INDUSTRIAL AND BUSINESS PROPERTY

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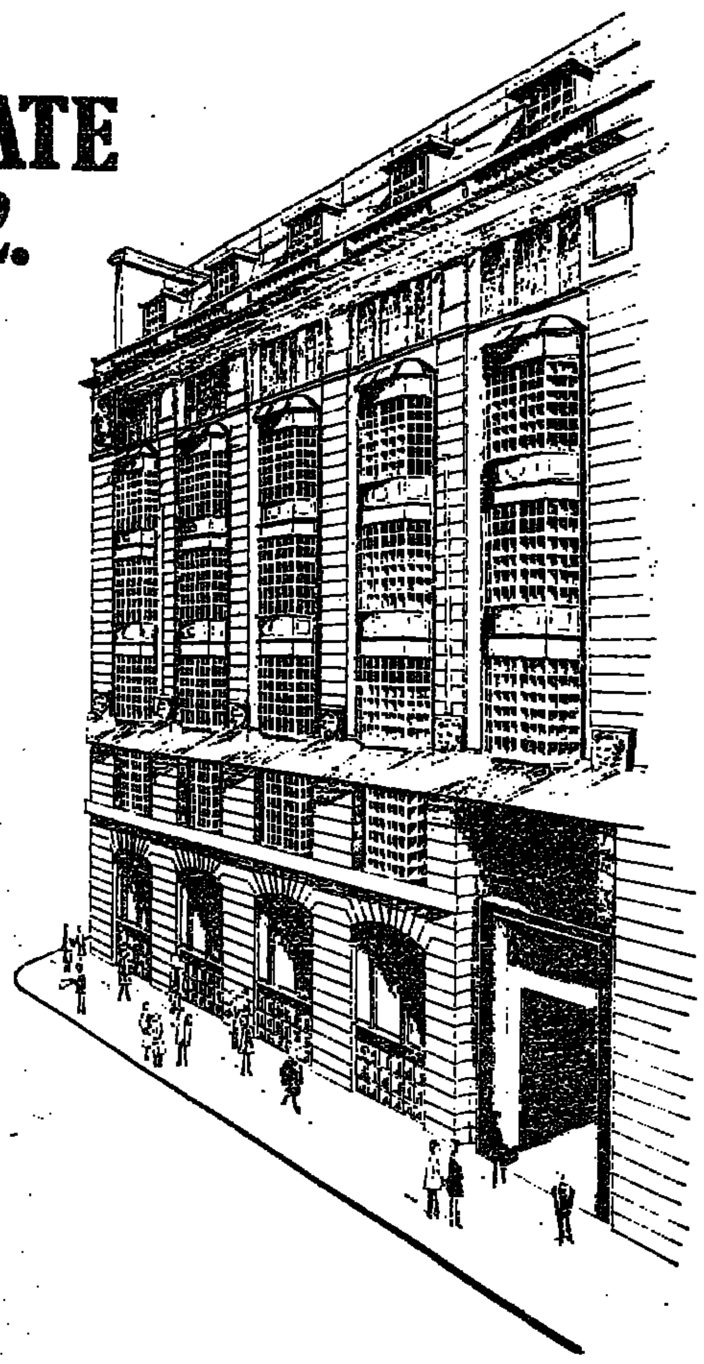

A fine self-contained office building with ground floor Banking Hall 150 yards from The Bank of England

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LONDON E.C.2.

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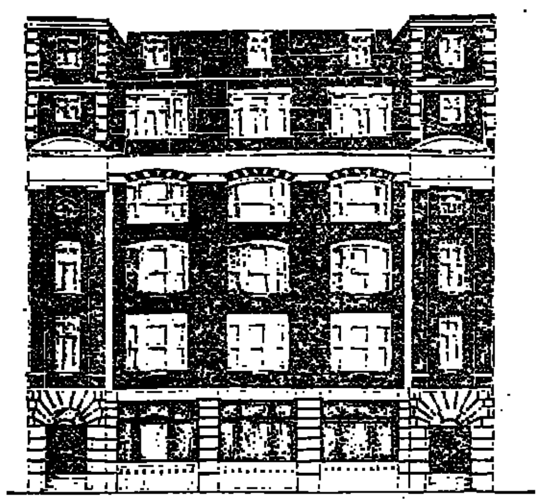

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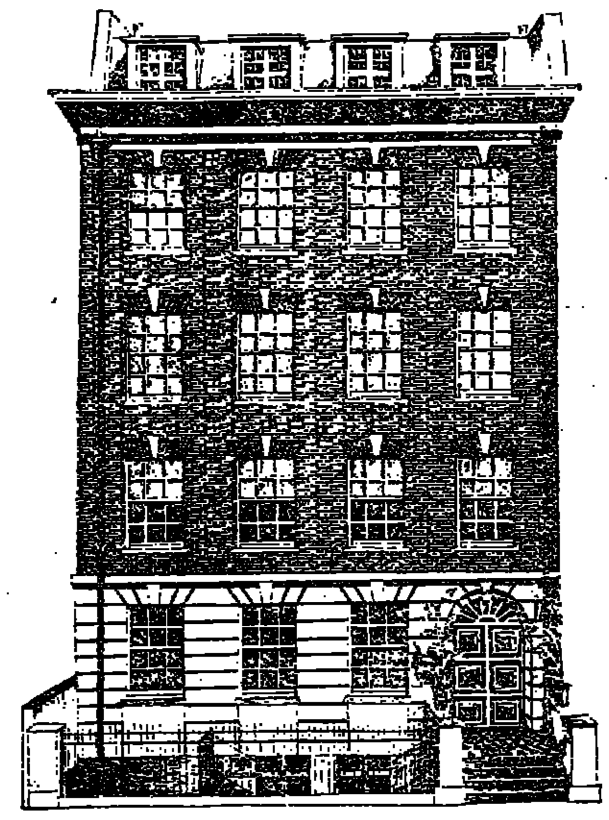

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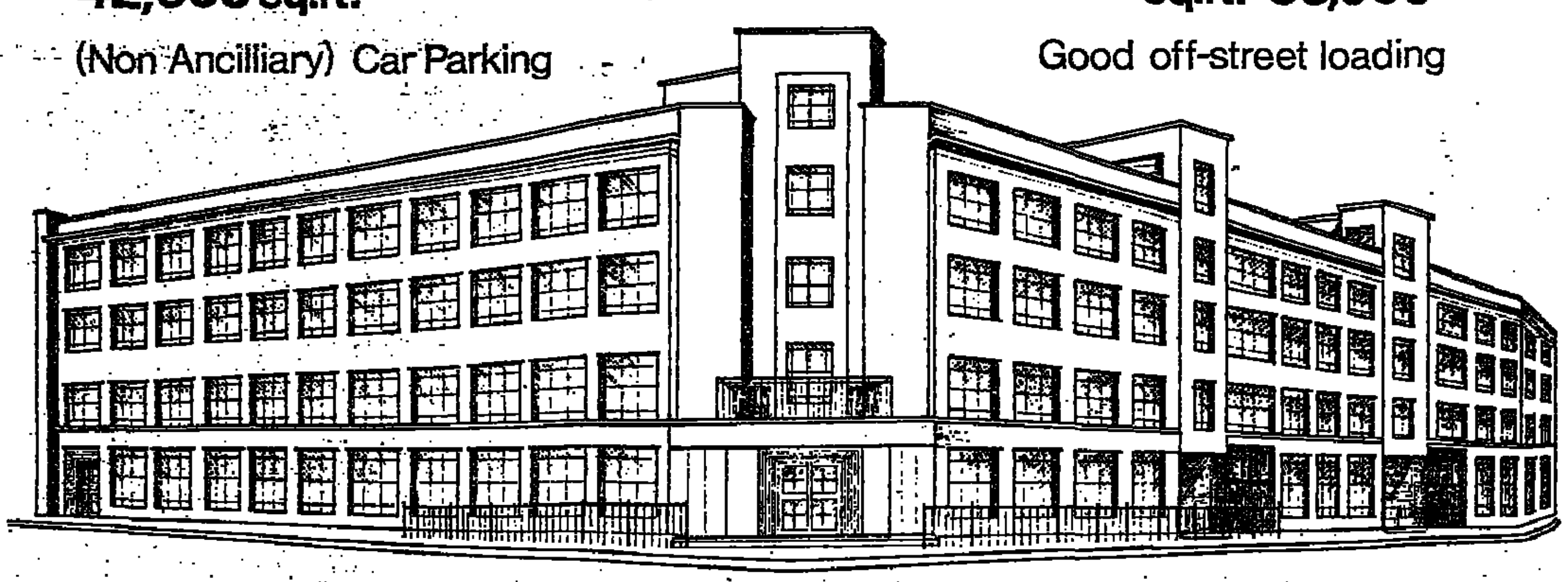

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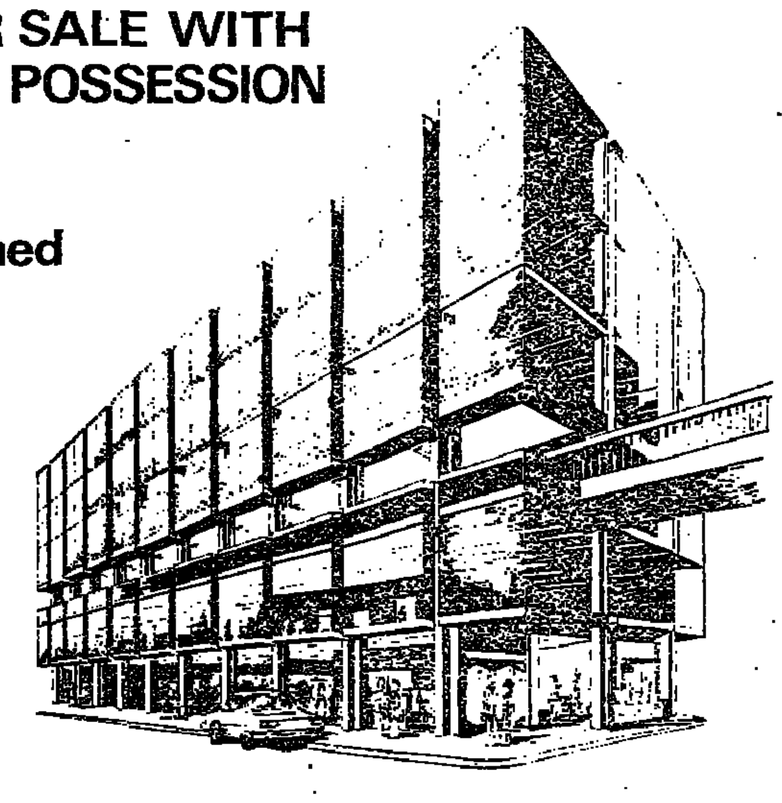

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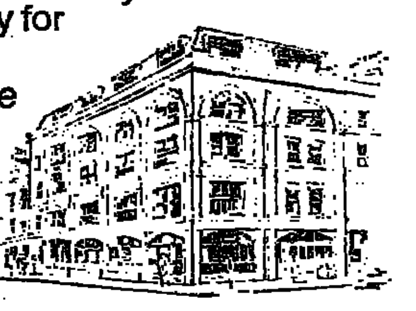

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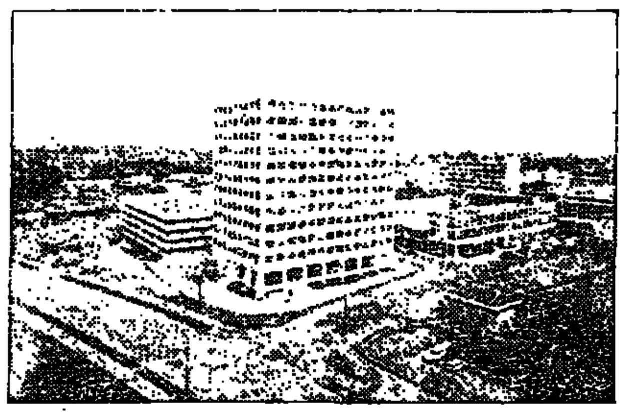

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Two newly constructed steel and brick portal framed buildings, designed to take overhead cranage together with other substantial warehousing/factory buildings. An office building and separate self contained, single bedroomed modern flat. All services: plenty of labour available.

REDDICH—MAIN ALCESTER/BIRMINGHAM ROAD

WORKSHOP 40 x 120 feet with garage equipment. Small office attached. Concreted yard area plus showroom/shop to main frontage.
DETACHED HOUSE with 2 bedrooms etc. adjoining property. Quick sale desired.

GLOUCESTERSHIRE

DEMOUNTABLE OFFICE 28 x 60 feet

At present on site in Gloucestershire, complete with two toilets, tubular lighting and gas central heating. Only two years old. Excellent condition. Buyer to remove.

For further details:—
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Ava House, High Street, Chobham, Woking, Surrey. Tel. Chobham 7868.

FACTORIES AND WAREHOUSES

St. Helens
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154,000 sq ft.

Capable of division into Two Industrial Units on 14.75 acres approx.
FOR SALE FREEHOLD might let

Henry Butcher & Co, *Provincial House, Albion Street, Leeds LS1 6HX. Tel. 0532 457356.*

24,500 SQ. FT. WAREHOUSE
NEAR LONDON AIRPORT
RENT UNDER £1.00 Per SQ. FT.

HAMNETT RAFFETY, HIGH WYCOMBE, 0494 21234

WAREHOUSING COMPANY OFFERS ITS STORAGE AND DISTRIBUTION FACILITIES

Distribution facilities available. Services include full mechanical handling equipment, fork trucks, overhead cranes, dock levellers, etc. Stock control, full 24 hour security. 20 miles north London. Tel: 0920-870341. Mrs. Jones

SELF-CONTAINED OFFICE SUITE PADDINGTON

Four 2nd floor offices approx. 750 sq. ft., carpeted and recently decorated, three minutes from Paddington Station. Balance of long lease offered without premium. No agent's fee. Tel: 01-402 8153.

HAINAULT INDUSTRIAL ESTATE, ILFORD, ESSEX
29,000 SQ. FT. FACTORY FOR SALE
£185,000

SILVERMAN BOURNE & CO., 79, Great Titchfield Street, London, W1P 7FN. 01-637 3241.

WE HAVE 8,000 FT. WAREHOUSE AND 4,000 FT. SECURED YARD surplus to requirements in London, E.5.

O.K. for Storage and Distribution. Any Suggestions? Phone Mr. G. 01-986 3621

WATFORD. 35,000 sq. ft. single storey warehouse, large open car park. Further details on request. Gordon Hudson and Company Watford 39711.

S.E. LONDON 18,800 sq. ft. Lofty s-s Factory or Warehouse Bldgs. In good condition. Open floor space. Good Loading. Rent £17,500 p.a. Conrad Ritblat and Co., 01-935 4499.

SWINDON. Hawkesworth Industrial Estate. 2 modern warehouse units with excellent ancillary offices. 7,200 sq. ft. and 6,267 sq. ft. available on lease. Full details obtained from Cotton Commercial. 01-942 1141.

WAREHOUSING immediately available—S. Gloucestershire. Adjoining M5. All facilities including 40-ton weighbridge. Offices if required. Long or short let. Apply Box T.4341, Financial Times, 10, Cannon Street, EC4P 4BY.

PLATT INDUSTRIAL ESTATE, between Sevenoaks, Maidstone and M20. Warehouses or Factories: 1 unit—8,816 sq. ft. + 914 sq. ft. offices and 1 unit of 16,650 sq. ft. + 3,000 sq. ft. offices. Apply: Grimley & Co. Ltd. Tel. Worthing (0903) 35186-7.

WATFORD. 6,250 sq. ft. single storey warehouse, heating, lighting, etc. £11,000 per annum. Gordon Hudson and Company. Watford 39711.

TEDDINGTON. Factory 6,196 sq. ft., offices 2,202 sq. ft. Tel. Commercial Dept., P. Chase Gardener & Co., Hounslow. 01-570 1195

BUSINESSES FOR SALE

MODERN SPORTS CYCLE FACTORY

New Premises close to M6 and Manchester

Currently producing "Falcon" and "Eddy Merckx" cycles on latest automated "Marchetti and Lange" Building and Brazing jigs. Electrostatic frame enamelling.

15,000 square feet single storey General Purpose Factory. Offices, Showroom and Canteen, plus 10,000 square feet covered space for further expansion on 1½ acre site. Freehold with Vacant Possession.
For sale due to Company reorganisation.

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FOR SALE
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A small Company annual sales of £250,000 with impressive growth and technical capability is for sale to investor with funds to support growth.
Please reply to Box No. E.8087. Financial Times, 10. Cannon Street, EC4P 4BY.

FOR SALE
QUARRIES IN SOUTH WEST

Write Box T.4339, Financial Times, 10. Cannon Street, EC4P 4BY.

JERSEY, C.I.
(Registered Limited Company world wide investment powers)

Consistently profitable fancy goods importers and wholesalers. 15 years audited accounts available.

£125,000

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TIN—CORNWALL

Tin extraction business—from surface workings. All or part for sale—proved tin reserves 10 years plus, together with new modern processing plant. Estimated future profits £300,000 p.a. upwards. "An ideal hedge against inflation." Principals only

Write Box E.8031, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE

Limited company operating shoe and fashion shop, prime position Holborn modern front and interior fitted 1972.
(Tax allowances exceed £15,000)

£15,000

Write Box E.8085. Financial Times 10. Cannon Street. EC4P 4BY

RETAIL CREDIT TRADING CONCERN
WEST MIDLANDS
FOR SALE

T/O £60,000 p.a. and profitable. Can be developed with right management. Freehold premises. Good stock and debtors. c £65,000.

Write Box E.8062, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE
400 ACRE PLANTATION IN WEST INDIES

Cocoa. Bananas. One million Caribbean dollars. Or persons interested to join.

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LADIES' FASHION
RETAIL GROUP FOR SALE
SCOTT & KENDON.

Family established 50 years: chain of SIX SHOPS in S.E. towns, all under valuable leases.

31 High Street, Ashford, Kent. Tel. 0233 21414

MOTOR GARAGE WATERFORD on c 1 ac. with pumps, workshops and modern bungalow. STOKES QUIRKE and FITZGERALD Auctioneers, Waterford. Tel. 051 4069

PROFITABLE NORTH LONDON PRINTERS with latest equipment for sale. Current turnover in excess of £175,000 per annum and rapidly rising. Modern premises held on good lease enquiries to Box E.8082, Financial Times, 10, Cannon Street, EC4P 4BY.

PROFITABLE LIMITED CO. in Birmingham. £100,000 turnover, for sale with existing management. Good record. Write Box E.8092, Financial Times, 10, Cannon Street, EC4P 4BY.

BUILDING COMPANY. 45 acres Land Bank. Cash or Public Company shares. Write Box E.8094 Financial Times, 10, Cannon Street EC4P 4BY.

BUSINESSES WANTED

PLASTIC MOULDING

U.S.A. corporation manufacturing and marketing highly successful ranges of specialised bath and kitchen wares proposes to enter the U.K. and European markets. An established profitable moulding business with injection moulding capacity and efficient management is sought for acquisition as a launch pad for this plan.

Replies in confidence to:
Plastics, c/o ROTH DELL & CO.
Chartered Accountants, 15/17 Ridgmount Street, WC1E 7AH

PHARMACEUTICALS
TOILETRIES & COSMETICS

A leading international group with strong pharmaceutical connections in the UK seeks acquisition possibilities in:

- Manufacturing or Packing Industries.
- Wholesale distribution—ethicals and proprietaries.
- British and foreign agency distribution.
- Export marketing.

We invite suitable proposals from any companies with minimum sales potential of £1.0 million per annum.
All enquiries will be treated confidentially. Please apply with brief details of business to Box E.8064, Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED

An option to acquire immediate or eventual control of a private company/business is sought by successful and experienced businessman (35) willing to undertake continuing management. Substantial funds available. Both profit and loss-making situations will be considered.
Anywhere England.

Write Box E.8057, Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED

Controlling interest in a public company with quotations in Britain engaged in trading and development projects in Africa, East and Far East countries. Progressive private companies considered. Enquiries treated confidentially.
References can be provided.

Write Box E.7585, Financial Times, 10, Cannon Street, EC4P 4BY.

EXPORT TRADING COMPANY wanted by established merchants. Suit owner with succession problem. Cash/income. *Write Box E 8083* Financial Times, 10, Cannon Street, EC4P 4BY

P R I N T I N G
PRINTING COMPANY REQUIRED
Turnover £50,000-£100,000.
Fifty-mile radius of London.

Write in strictest confidence to: Box E.8095, *Financial Times, 10, Cannon Street, EC4P 4BY.*

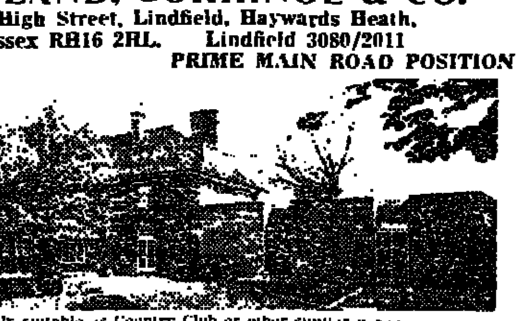
HOTELS AND LICENSED PREMISES

NEAR TONBRIDGE, RESTORED GEORGIAN COUNTRY HOUSE with established hotel unit 19 rooms. C.H. Outbuildings. Grounds of 6½ acres. Freehold £60,000. Apply GEERING AND COLVER, Tonbridge. (Tel. 66681).

HOTELS AND LICENSED PREMISES

ROWLAND, GORRINGE & CO.
42, High Street, Lindfield, Haywards Heath, Sussex RH16 2HL. Lindfield 3080/2011

SUSSEX — PRIME MAIN ROAD POSITION



Ideally suitable as Country Club or other similar usage
Brighton 11 miles, London 50 miles. FOR SALE—FREEHOLD.
The Imposing, Fully Licensed, Free House Restaurant of Character formerly known as the internationally famous

RINGMER RESTAURANT, RINGMER, near LEWES, SUSSEX

Fine air conditioned ballroom (250 covers) 2 bars, cloakrooms, superb kitchen and domestic offices, wine cellars 7 bedrooms (including separate staff flat), 2 bathrooms: full oil-fired central heating: over 1 acre of land and car parks.

PRICE £75,000 to include fixtures and fittings.

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FELTHAM. Shop & 12 garages (possible development site). Opp. stn. Tel. Commercial Dept., P. Chase Gardener & Co., Hounslow. 01-570 1195.

Sale No. 3782

By direction of Wilfred John Barratt Esq.

CARTWRIGHT, EVITTS & DAFFERN
Auctioneers & Estate Agents
(Established 1900)

will sell by PUBLIC AUCTION on WEDNESDAY, 30th JUNE, 1976

VALUABLE FREEHOLD REDEVELOPMENT SITE

(At present occupied by Petrol Filling Station, Repair Garage and vacant cottages) situated at

79-91 MIDLAND ROAD, NUNEATON

having a frontage of 113 ft. 10 ins. to the A47 Birmingham to Leicester trunk road and an area of 1,175 square yards or thereabouts.
Prominent corner position with potential for many varied uses.

Further particulars from the Auctioneers' Offices:
39 CHURCH STREET, NUNEATON CV11 4AB
Telephone 383601 (2 lines) (STD—0682)

WANTED

WANTED
by retaining clients
WAREHOUSE/INDUSTRIAL SITE—Up to 10 Acres

Southern England location with planning consent for development

TO PURCHASE

Details please in confidence to retained surveyors

BRENDONS, 1-3 Ashbourne Parade, Ealing, W5 3QU. 01-998 2711

NOTICE OF REDEMPTION

To the Holders of

Occidental Overseas Limited

10% Guaranteed Notes due 1981

NOTICE IS HEREBY GIVEN that in accordance with the provisions of the Indenture dated as of July 1, 1975 of Occidental Overseas Limited and Occidental Petroleum Corporation to Marine Midland Bank (formerly Marine Midland Bank-New York), as Trustee, $1,800,000 aggregate principal amount of Notes will be redeemed on July 1, 1976 (herein called the "Redemption Date") at 100% of the principal amount thereof without premium pursuant to the Sinking Fund provisions of the Indenture. As provided in the Indenture, the Notes selected for redemption by the Trustee bear the following distinctive numbers:

COUPON NOTES OF $1,000 PRINCIPAL AMOUNT OUTSTANDING

M 21	1279	3151	4690	6216	7650	9083	10271	12082	13705	15058	16674	18405	19801	24285	25695	27193	28594
30	1285	3157	4700	6248	7653	9103	10286	12101	13727	15081	16693	18409	19816	24293	25698	27210	28597
34	1298	3177	4709	6252	7654	9115	10290	12149	13730	15100	16694	18418	19826	24299	25704	27250	28604
37	1343	3182	4718	6258	7660	9116	10294	12155	13733	15109	16702	18421	19847	24302	25707	27262	28610
44	1362	3189	4729	6261	7673	9141	10297	12159	13746	15113	16706	18437	19883	24334	25717	27273	28633
53	1371	3202	4738	6268	7692	9154	10312	12181	13765	15134	16712	18443	19884	24335	25740	27278	28636
65	1385	3250	4764	6271	7727	9161	10316	12184	13768	15157	16715	18446	19896	24351	25746	27285	28658
85	1394	3251	4805	6283	7749	9165	10325	12188	13774	15163	16722	18451	19922	24386	25789	27304	28664
117	1397	3259	4825	6302	7778	9170	10329	12226	13788	15170	16735	18460	19928	24389	25816	27311	28677
139	1406	3269	4843	6334	7784	9186	10335	12227	13800	15199	16741	18463	19935	24398	25854	27342	28678
187	1426	3279	4863	6338	7797	9193	10345	12233	13810	15208	16754	18479	19947	24412	25858	27359	28712
191	1436	3292	4869	6350	7803	9208	10360	12248	13820	15237	16776	18485	19951	24434	25861	27385	28732
197	1459	3346	4888	6354	7822	9237	10373	12261	13833	15246	16786	18495	19961	24441	25864	27400	28741
200	1461	3349	4901	6367	7832	9244	10389	12265	13838	15253	16787	18507	19972	24444	25880	27426	28750
210	1474	3365	4905	6370	7842	9269	10411	12271	13851	15340	16802	18541	19979	24450	25881	27429	28763
219	1563	3369	4924	6371	7854	9273	10431	12284	13858	15388	16811	18578	19992	24459	25914	27436	28777
229	1583	3390	4936	6396	7861	9278	10434	12312	13874	15433	16814	18588	19996	24463	25915	27449	28780
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1109	2837	4494	6009	7387	8850	10098	11865	13503	14882	16431	17951	19531	24075	25362	27010	28325	29842
1118	2841	4505	6029	7390	8853	10101	11886	13513	14885	16450	17992	19535	24082	25371	27028	28329	29851
1119	2863	4510	6043	7400	8860	10108	11913	13522	14892	16453	17995	19538	24095	25390	27042	28345	29864
1125	2888	4511	6050	7435	8869	10110	11918	13525	14903	16456	18010	19545	24104	25461	27048	28348	29865
1128	2899	4528	6069	7445	8888	10122	11922	13582	14930	16478	18030	19570	24114	25464	27064	28351	29880
1145	2946	4540	6091	7467	8936	10133	11938	13598	14933	16479	18034	19590	24121	25500	27071	28370	29886
1151	2972	4552	6098	7483	8969	10153	11950	13611	14937	16494	18060	19634	24149	25535	27103	28491	29902
1195	3006	4555	6114	7490	8981	10159	11959	13615	14940	16508	18069	19640	24156	25542	27106	28504	29913
1205	3065	4574	6130	7503	8984	10165	11970	13621	14943	16530	18076	19643	24158	25579	27119	28517	29918
1206	3067	4578	6133	7554	8988	10184	11992	13625	14965	16549	18095	19662	24178	25593	27129	28520	29925
1212	3068	4584	6158	7560	8994	10185	11999	13641	14991	16594	18210	19695	24197	25595	27147	28538	29941
1218	3074	4587	6159	7583	9003	10196	12002	13659	14994	16607	18274	19708	24232	25618	27154	28549	29950
1237	3084	4626	6162	7593	9020	10203	12037	13660	15012	16613	18287	19742	24235	25621	27161	28565	29963
1242	3099	4629	6178	7596	9029	10245	12050	13682	15035	16623	18299	19768	24242	25640	27183	28571	29964
1253	3108	4677	6184	7630	9052	10248	12062	13685	15036	16650	18335	19790	24264	25673	27186	28577	29989
1266	3128	4680	6213	7647	9058	10267	12066	13694	15049	16670	18380	19800	24274	25688	27189	28585	29995

The Notes specified above are to be redeemed for the said Sinking Fund at the **Corporate Trust Office of Marine Midland Bank, 140 Broadway, New York, New York**, the offices of Marine Midland Bank in London and Paris, the main office of Swiss Bank Corporation in Basel, the main office of Dresdner Bank AG in Frankfurt/Main, the main office of Kredietbank N.V. in Brussels, the main office of Banca Commerciale Italiana S.p.A. in Milan, and the office of Banque Internationale à Luxembourg S.A. in Luxembourg, as the Company's paying agents, and will become due and payable on July 1, 1976. On and after the Redemption Date, interest on the said Notes will cease to accrue and the coupons appertaining thereto shall be void.

The said Notes should be presented and surrendered at the offices set forth in the preceding paragraph on the Redemption Date with all interest coupons maturing subsequent to the Redemption Date attached thereto. Interest coupons payable July 1, 1976 should be detached and presented for payment in the usual manner.

MARINE MIDLAND BANK,
Trustee

May 28, 1976

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● AUTOMATION

Robots to show their paces

UNIMATION, major producer of industrial robots, is to have a Unimate industrial robot performing a die casting operation at the 7th International Die Casting Exhibition at Basle, Switzerland (June 22-26).

The exhibit will simulate an unload, quench and trim operation using a working model of a die casting machine and trim press with a Series 2000 5-axis Unimate. The sequence will include checking that the part has been extracted from the die cast machine.

Unimates used in automating die casting applications generally unload machines on a one-to-one basis and then perform one or more secondary operations. Usually the robot places a part in a trim press and cycles the press, followed by depositing the part on a conveyor.

Other secondary operations include quenching and placing the part in a drill press for drilling and tapping. Palletizing also is practical for either single or multiple layers of parts. One Unimate can be located to unload two diecasting machines sequentially. Again, automatic trimming and quenching are often made part of the basic machine unload programme taught to the Unimate.

The Unimate will load inserts into single or multiple-cavity dies, too. On some jobs, the Unimate is programmed to pick up periodically a spray gun and lubricate the die.

Small batches

Die-cast part batches as small as a few hundred pieces are being produced automatically because teaching the Unimate to control and unload a die casting machine is a fast an straight-forward operation. Die casters frequently report reductions in scrap rate when an industrial robot automates production. Increased production rates are also reported.

A Unimate of the same type in a computer-controlled welding rig will be among projects on show during the visit, on June 16, to the National Engineering Laboratory, East Kilbride, by some 300 delegates at the PROLOMAT '76 international conference which is being held at the University of Stirling (June 15-18).

NEL's robot is capable of motion in five axes and has linear interpolation between points and velocity control to give continuous path operation. It is being used as a welding torch manipulator in an experimental controlled welding rig.

Both the welding path and the welding conditions are governed by a mini-computer on which an investigation and evaluation of welding techniques is being carried out.

It is at the centre of a joint study by the National Engineering Laboratory and the Welding Institute into methods to automate and improve the quality of welding processes, a project supported by the Department of Industry's mechanical engineering and machine tool requirements board.

Further details from Unimation, European Sales and Service Division, Unit A.4, Stafford Park 5, Telford, Shropshire (Telford 618931).

● PROCESSES

Removes oil from liquids

STATED TO be capable of reducing oil content to levels as low as 1 ppm, a borosilicate glass microfibre filter has been developed by Balston, Springfield Mill, Maidstone, Kent (0622 52201).

The microfibres are laid in a random mat, epoxy resin bonded, and are available in a wide range of flow rates from 1 to several thousand gallons/hour, with the filters ranging in diameter from 3 inches to 4 feet, and pipe connections from ½ to 6 inches diameter.

It operates by continuously filtering and coalescing even sub-micron oil droplets, which can be removed from the system by periodically draining the filter unit. It is designed to deal with final clean-up of trace contamination by oil and other insoluble organic compounds from water or other liquids.

The maker says effective filtration is achieved even in the presence of emulsifying and stabilising agents. Solid particles are, of course, prefiltered before the filtrate reaches the microfibres. It is claimed these will continue to operate until blocked by solid contamination.

Suggested applications are for filtering boiler feed water prior to analysis, or filtering sea water prior to distillation, or cleaning the feed to any process likely to be affected by oil contamination.

● SAFETY

Conveyor control

CONVEYOR control systems marketed by John Davis and Son (Derby), PO Box 38, Alfreton Road, Derby, DE2 4AH (0332 41671), have been modified to operate in conformity with the recommendations of the new British Standard BS 5304.

The system is designed so that a pull on the emergency trip wire—in any direction along its length—will stop the conveyor.

The maker, a member of the Doulton Engineering Group, says that many existing systems supplied and installed by the company can easily be modified to meet the new recommendations.

● COMPUTERS

Philips woos user with software

UNDAUNTED by its rough handling at the hands of the French Government during the CII/Honeywell negotiations and the subsequent demise of Unidata, Philips is vigorously pursuing its thrust into the small business systems market in which it is the dominant company in Europe.

Yesterday it launched in Britain the 410 small computers which will compete directly with IBM 32's, ICL/Singer 10, Burroughs, NCR and other first user equipment where the first user tends to be a company for whom visible record computing will not be sufficient.

The 410 falls into the price range £19,000 to £65,000 and is disc-based while retaining many of the easy-to-use characteristics of the visible record family.

This group of machines, of which Philips has sold 1,600 in the U.K. and 35,000 world-wide, benefits so far as the models in the 300 series are concerned from a free applications program library containing 200 routines. These cover practically every job that any accountant could expect to carry out for his company and it is significant that of the 5,000 purchasers of machines of this group, 80 per cent. have elected to go for "free" packages rather than write their own.

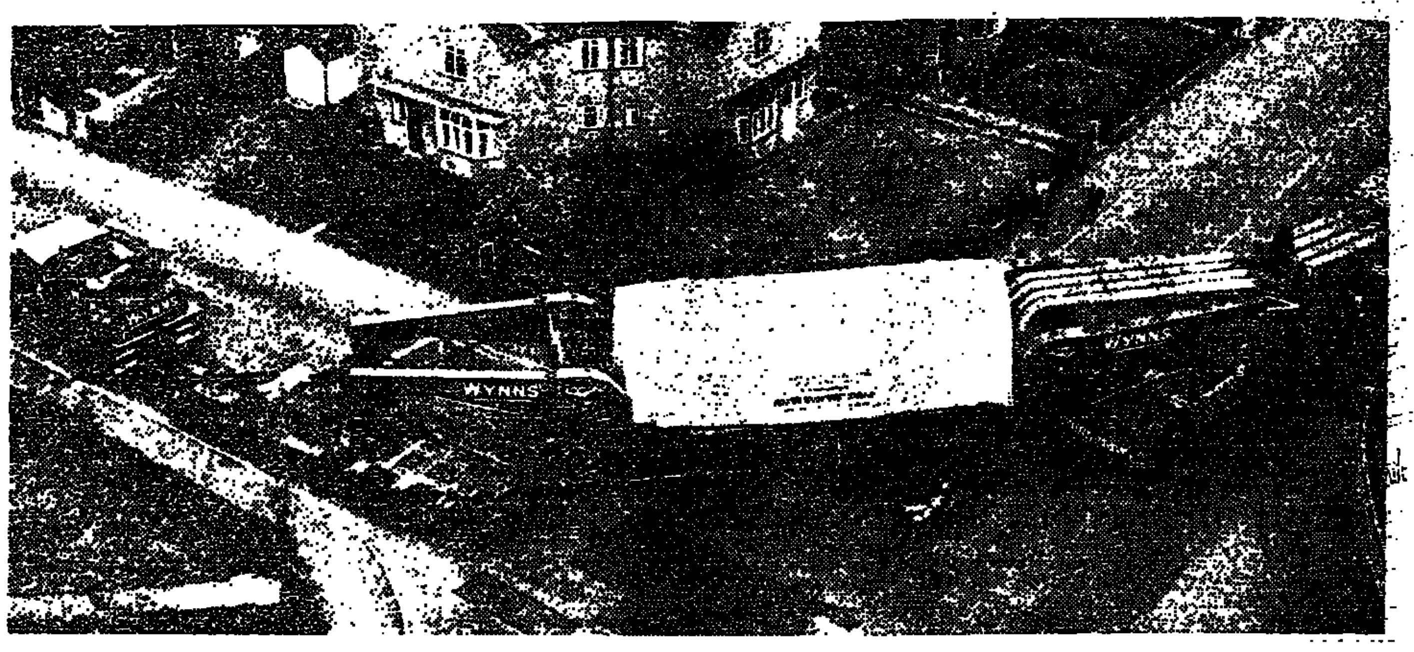
The tradition of free software has been continued in a modified form for the 410. That is, the complex operating system is free as are the first two applications routines. The company has come to an arrangement with a group of software houses in Britain to write further programs under contract to the user, who also has the option of getting the work done by the company itself.

The company claims that the new offering is the only small machine of its class that can run transaction and batch processing simultaneously. It can use an attachment to read ledger cards, thus offering simple transition for users of the less powerful VRC's in the range.

At the same time, it is adding to existing library routines and offering training courses for those users who propose to do their own programming.

High level languages—Cobol, Basic, Ideal—can be used for programming and one of the markets the machine will be offered to is the fast-growing one of users of large-scale machines who are not prepared to pay for further expansion of these and prefer to install a much smaller yet sophisticated unit which can be used for specified jobs which it will complete at high speed, feeding the results to the main machine.

If sales of the new machine are anything like those of its smaller predecessors, it will provide a rude awakening to those of the company's competitors who have written off Philips as a computer presence.



After successfully completing all tests the largest electrical generator built in Britain has left the Stafford works of GEC on the first stage of its journey to the Enrico Fermi nuclear station of the Detroit Edison Company at Stony Creek in Monroe County, Michigan, on the shores of Lake Erie. Some idea of its size can be gained from the picture. The generator has a maximum capability of 1215 MW at 0.9 power factor—nearly twice the output of the largest units currently being installed in Britain and among the largest yet built in the world. It was no easy unit to manufacture and cooling problems, now overcome, were experienced during early tests. In service it will be driven by a GEC 4-cylinder tandem compound single reheat steam turbine running at 1800 rev/min. using steam from a boiling water reactor. The high pressure steam turbine built at the company's Rugby works and the low pressure turbine built at Manchester are already on site.

● HANDLING

Single-ply belt for hard wear

ARDUOUS DUTY conveyor belting called Greenweave has been produced by Greengate Industrial Polymers, Irwell Works, Ordsall Lane, Salford M5 4TD (061-834 6622), an Allied Polymer Group company.

The belt incorporates a specially developed single reinforcing textile ply, which uses a binder type weave where the tensile members are substantially uncrimped, sandwiched by rubber covers compounded for abrasion resistance.

Single ply construction means that the belt is lighter and not as bulky as other types, so requiring less power to drive it and smaller diameter pulleys. The maker says stretch has been reduced to a minimum. Greenweave is made in slabs 60 inches wide which can be cut to size as required. Strength range is from 1,800 to 4,500 lb/in. and a choice of cover combinations is available.

Because the belting resists mechanical damage, applications are likely to be where high impact, tear and cut resistance are required.

Mobile unit for waste compaction

AN AUTOMATIC, hydraulically controlled, mobile waste compaction unit has been introduced by Anchorpac, Bell Lane, Amersham, Bucks. The charging aperture (1194 x 890 mm.) is at waist height (1 metre) and the compactor exerts a ram pressure of 10 tonnes pushing the waste into either a 7.5 or 10 cubic metre sealed container. A three-phase power supply is required for the 3 h.p. power pack.

Safety interlocks ensure that the ram cannot operate when the loading aperture lid is open. The tipping door on the container is rubber sealed and liquid tight, which enables the machine to deal with food and vegetable waste.

The unit weighs 2 tonnes and is designed to be lifted by either a multi-bucket or roll-on truck. It is mounted on steel skids. Suggested applications are at events attracting large crowds, street markets, restaurants and hotels, etc.

● FINISHING

Spray guns controlled by TV

PROGRAM CONTROL of automatic spray gun banks is not new, but although several programs can be installed to cover different shapes, the system is not very flexible because the spray pattern is predetermined.

Irregular shapes, outlines of parts presented in random order can, it is claimed, be painted automatically and with minimum paint usage, with a system in which each shape is "looked" at, recognised and used to control the gun pattern.

Called Videospray, it consists of two main units, a closed circuit television camera with a built-in monitor, and an electronic module, both mounted on the same frame and easy to position close to existing spray equipment. The electronic module contains two standard printed circuit boards, one for logic and one for power circuits. Electric or electro-pneumatic solenoid valves control paint on/off at the gun.

Control can be imposed on any reciprocating or oscillating spray gun and multiple installation of up to four guns can be controlled from one unit.

The camera looks at two points, a reflector on the spray gun, and the work piece as it approaches the booth. This can be seen on the monitor screen. A grid on the picture is used to locate the relative positions of the gun and the work piece, and from this, timing instruction signals are sent to the logic bank. This controls the spray strokes to ensure optimum paint utilisation.

Compensating controls allow for mechanical and electronic time lag and currently the degree of spray control is stated to be within ¼ inch. This control will also correct errors introduced when the guns are toed inward to spray angular items. Compensation is separately introduced on the up and down strokes.

The system has been developed by Air Industrial Developments, Shenstone, Lichfield, Staffs., WS14 0DR (0543 480341), which claims that capital costs of the system can be recuperated in one or two years depending on the current rate of paint usage and the degree of overspray.

This company has also developed a spray booth, the Hydrofilo, which it claims has scrubbing efficiencies greater than 99.8 per cent., with paint input rates of 1,000 cc/min. of acrylic autofinish paint directly projected into the washer.

● INSTRUMENTS

Less shock with laser scalpel

CUTTING OR removing tissue with minimum blood loss and less post-operative reaction is said to be possible with a carbon dioxide laser scalpel available from Coherent Radiation, 13 The Mall, Barhill, Cambridge CB3 8DZ (0954 81195).

Called the System 40, suggested applications include plastic and reconstructive surgery, gynaecology, otorhinolaryngology and other specialities. The company says its laser is less than half the price of previous medical lasers.

The laser produces a focused beam of infra-red light energy which is totally absorbed by body tissue. This causes localised heating and vaporisation of tissue, which allows the beam to cut like a knife. Because of the heat, small blood vessels are cauterised and bleeding is stated to be minimal, while damage to adjacent tissue is claimed to be only a few cell layers deep.

The laser is attached to the hospital's operating microscope which provides binocular vision and illumination. Precision aiming of the beam is achieved with a micromanipulator. The procedure is said to be less traumatic than alternative methods.

The Executive's World

EDITED BY JOHN ELLIOTT

Elinor Goodman explores the conflicts of interest in the Co-op which is the U.K.'s biggest retailer

Battle with a conscience

SITTING IN the Winter Gardens at Margate this week, listening to earnest, and frequently rather elderly, men and women at the Co-op's annual Congress urging the Government to increase State pensions and preserve employment, it was, at times, difficult to remember that the proceedings had anything to do with retailing. Even more difficult to comprehend was that this organisation, with its unique mix of customer participation, social conscience, and need for profits, could have outpaced the private sector in terms of growth last year.

Yet the Co-op, despite its long fall from glory since the war, is still Britain's largest retailer. *It is also Britain's largest milkman, farmer, and undertaker* and, through the Co-operative Party, it sponsors the country's third largest political party in terms of number of M.P.s in Parliament (16 less John Stonehouse who recently resigned.) It also operates its own banks and is one of the country's largest food manufacturers. Even though its membership has fallen from its peak of 13m., it still has as many members as the TUC—*the body* with which its sits, along with the Labour Party, on the National Council of Labour.

The structure of the Co-op is complicated, going back to the movement's roots in Rochdale in 1844. Any customer can become a member and thus qualify to elect directors to sit on the Board of a local society. The administration of a society's local shops is handled by a full-time paid executive; but the Board can—and sometimes does—act against the advice of the professional management.

Wholesale

The directors of the local societies in turn elect members to the Board of the Co-operative Wholesale Society, which is the movement's central manufacturing and wholesaling division and is owned by the individual societies. The CWS, like the local retail societies, is run by professional management. But it has no power to force individual societies to buy from it or abide by its promotional programmes. Each retail society is also a member of the Co-operative Union, the "conscience of the movement," which organises the annual congress. This, the movement's "Parliament," is attended by delegates elected by retail societies from around the country.

Resolutions passed at congress are not binding and are often more pious than realistic. But the congress is a reminder of the fact that the Co-op's priorities are essentially different from its competitors'. Unlike other retailers, the Co-op's first priority is not to make a profit. Instead its basic objective is to serve its customers, and more particularly, its members. Profits, or "surpluses" as they are euphamistically called, are either distributed to customers in the form of the blue "divi" stamps are are ploughed back into the business.

Consumers

In to-day's competitive retailing conditions however, the distinction between the profit motive *of the publicly quoted* company and the Co-op's priority of serving the consumer is becoming increasingly blurred. Just as the businessman would say he cannot make a profit without satisfying the consumer, so "co-operators" are increasingly having to accept that the Co-op cannot serve the customer properly unless it makes profits to plough back into the business. Otherwise the standard of consumer service, in the shape of lower prices and new shops, will suffer.

Even so, the fact that the Co-op is not profit motivated in the traditional sense still manifests itself throughout the movement. The London Society, for example, docs not promote South African goods for political reasons while, more fundamentally, the requirement to serve the consumer *above everything* else can mean that societies keep open shops which a commercial organisation would have shut long ago.

Moreover, the Co-op's democratic structure means that decisions can take far longer to take—if, indeed they are ever taken, than in a traditional business. At the end of the day, the manager's decision can be over-ridden by the vote of the members though in practice the democratic structure is only exploited by a tiny minority of customers. Two-thirds of the Co-op shoppers have bought a share in the business but only about 1 per cent. taken any active part in the running of business—a factor which both the Union and the CWS regard as a major weakness. Some of the most important changes which have taken place in the movement over the last 10 years, such as a switch from dividend distribution to dividend stamps, has not even been voted on at the congress.

This year, for example, a resolution was duly passed urging the movement to speed up the implementation of a Regional Plan—a grand scheme to reduce the number of retail societies from 224 to 26. The really heated congress debate, however, was not over the Plan but over the question of setting age limits for lay-directors.

The wonder then is how this cumbersome giant has apparently managed to reverse the long fall in its fortunes. Last year sales through its 12,300 shops increased by 23 per cent. This was the largest increase recorded by any sector of the retail trade and compared with a rise of only 19 per cent. for all retailers. As a result, the *Co-op's share of total retail* sales rose from 7 per cent. in 1974 to 7.2 per cent. last year, while its share of the food market increased from 13 to 14 per cent.

Though this means that the Co-op is still a long way below its peak (in 1957, the movement took almost 12 per cent. of total retail sales), last year was the second year running in which the Co-op increased its share of *the market. After many years'* decline, it does therefore seem as if the Co-op is finally beginning to reap the dividends of some of the changes which have taken place over the past eight years.

Terry Kirk

Mr. Arthur Sugden, chief executive of the Co-operative Wholesale Society, seen at the Congress this week.

Sceptics tend to attribute the Co-op's recent success to what they see as temporary factors. The Co-op always does best, they argue, when times are hard and shoppers seek refuge in the Co-op's familiar womb. To some extent this may be true and the Co-op certainly benefited last year, from the general pattern of down trading. The Co-op has always been strong in basic commodities, like home baking materials, and the housewives' switch to basic goods such as these probably contributed to *the improved performance* though it is doubtful whether it would have done as well had it not cut the margins on these products.

Ironically, the Co-op also probably benefited from the relatively large proportion of low-paid workers among its customers. Though its customer profile has become less weighted to the poorest socio-economic groups over the years, *it still has a larger proportion* of C2 customers than some of its competitors. For these, the £6 limit on wage rises did not represent the same deceleration in the rate of wage increase that it do for better-paid workers. Moreover, its larger number of small neighbourhood shops — usually considered more of a burden than an asset — also probably benefited from the shopper's reluctance to spend money on travelling to the town centre shops.

Revolution

The question for sceptics must therefore be whether the Co-op can sustain the revival once the economic climate improves. At a central level there seems little doubt that the 1968 "revolution" within the CWS, which completely changed the management structure, is paying off. The great majority of shops now trade under a common facia and offer the Co-op's increasingly successful own-label products, and most now take part in the CWS's massive promotional programme on groceries.

But the CWS's changes in strategy could not have worked in isolation. The CWS can only act as a central catalyst—as it did with the introduction of stamps—and is efforts have to be matched by those of the retail societies. In the last two years this does seem to have happened at least among the larger societies. The Co-op's rate of investment, which for years lagged behind the rest of the retail trade, is now running ahead of its competitors and it is now the second largest superstore operator in this country. As a result of converting some smaller units, it is also Britain's largest freezer centre operator.

Not surprisingly there was a mood of self-congratulation among some delegates at Margate: for once the Co-op had something to boast about. The danger must be that complacency may now set in. Delegates were constantly reminded of the need to maintain investment and of the dangers of giving too much of their profits away in dividend stamps. Behind the scenes, executives conceded that the gains were not spread across the movement. In Scotland the Co-op in still vulnerable to the invasion of English supermarket groups while its performance in clothing and footwear still leaves a lot to be desired. Many of its smaller shops are also rather run down.

Profits cut

The big test is likely to be the movement's willingnes to carry out its own grand scheme to rationalise the number of retail societies and thus, in theory, create more efficient units. The motion in favour of the Regional Plan was again passed by delegates but past experience has shown that such a vote does not necessarily result in action. The congress first approved the plan two years ago and since then only 15 societies have merged. This *year, however, financial pressures* may force societies into each others' arms because, although sales were up last year, retained profits were cut to only about half the 1974 level.

The problems facing both the Regional Plan, and a merger of the CWS with the Co-op Union, now being considered by the movement, are to some extent the same. Both get held up on the simple question of territorial jealousy. But on a more profound level both beg the question of how the co-operative movement can retain its democratic structure while competing with the rest of the High Street.

DESIGN MANAGEMENT

A misuse of talent

FOR YEARS those interested in the subject of industrial design have been discussing exactly what has been wrong with the way in which designers are used in the U.K., and those accustomed to the arguments will be only too familiar with their general trend. Lindsay Hay, a young student at the London Graduate School of Business Studies, has analysed the problems in a report due to be publised next week on Management and Design in the Women's Fashion Industry. Her report is based on three months' study undertaken with some prize money she won from the Burton Group's design award competition. She follows up her analysis of the fashion industry's ills with specific recommendations which, though some of them may seem simple and obvious, give a clear picture of the gross misuse of our design talent. Her ideas are also applicable throughout British industry.

First, she feels the industry should acknowledge that design is its lifeblood. From that acknowledgement, if made in a committed, fully understood way, would follow many improvements: for example, fashion would cease to be managed and marketed as if it were an ordinary commodity. The design manager should also hold a senior executive position, preferably as a member of the Board, and should participate in policy decisions.

Second, the designer should be present and participate in the planning, selection and review of the range for a season. The designer must also be given time to look beyond the drawing-board and observe and absorb the changing world to which designs must relate.

The design commitment has to be a long-term one, not expected to justify itself in terms of immediate sales graphs. "Design," she argues, "should be a central preoccupation of the company's management as a whole since the company's design policy is a manifestation of its corporate strategy . . . that is, the direction in which the company is intended to move."

Retailers should perhaps allow their selectors some "venture" money so that they could adopt a more adventurous buying policy. ("A buyer who never made a mistake is a poor buyer," said one of the more enlightened store directors.) Buying on past record, which is what many buyers do, is obviously incompatible with design innovation.

Buyers and selectors should be offered the chance of some design training, possibly through part-time courses at art colleges. *Similarly, the art colleges* should tailor their fashion courses more precisely to industry's needs and designers should have some training in business methods.

Sacrifice

Textile designers often emerge from college to find that the industry has no place for their talents and skills and yet at the same time most manufacturers buy their cloth abroad (ironically, frequently designed by a British designer for a foreign firm). There should therefore be closer co-operation between textile firms and our clothing manufacturers so that the one can supply the other's needs.

Finally, Lindsay Hay suggests that it is not just industry that will need to rethink its role. Designers, too, must adjust because many of them are too passive, refusing to take part in activities that can ensure that their point of view is heard.

Designers must be careful not to insulate themselves from what ordinary people wear. Many of them prefer the production of luxury clothes in small numbers to the greater challenge in the hurly-burly of the commercial world. She points out that designers will have to be prepared to pay for *greater design involvement* in terms of longer hours, of concentrating less exclusively on purely creative matters and may even have to sacrifice a measure of job security.

Lindsay Hay's suggestions may not be comfortable, but there are few alternatives. Already the U.K. can no longer compete with many parts of the world on price so, with rising labour costs, selling appeal has to be based on design. Nobody doubts that the design talent exists; art colleges are bursting with it. Harnessing it is the problem that lies ahead. She shows how, because of the way many fashion companies began, many of them are trapped in a classic vicious circle that prevents them from adopting a more adventurous design policy.

The British market has traditionally been very price-conscious (many companies started in a small way and found a share of the market simply by under-cutting their rivals) so they have always worked on very low profit margins. This means staff has to be kept to a minimum, so companies need to be large before they can afford the "luxury" of managers with time to look beyond the problems of immediate survival.

There is often a lack of design innovation for fear of backing a loser. A company operating on low profit margins cannot afford to gamble so it gears its entire production to a speedy reaction time to other people's designs instead of innovating itself. Even the big chain stores, whose buying is geared to certain standards and qualities, under-estimate the contribution that design makes to quality. In any event, most of the chain stores do not see themselves as having any innovatory role. They feel they exist to "maximise sales of that which has already been established as a fashion."

Selecting from rails of existing merchandise is the nearest that some companies come to design inovation and Lindsay Hay argues that the role of selector is a creative one and should be recognised as such. She quotes the company whose director thought design was particularly important in his section of the market, but whose designer did not even attend selection meetings.

As evidence of the fact that *good design will sell even if it is more highly-priced than its* duller relations, Lindsay Hay cites the fact that France's exports (in women's clothing) to the U.K. have increased at an average rate of 53 per cent. a year while imports from the Far East are not increasing as fast. Though labour costs in the EEC are higher than in Britain, clothing imports from the EEC are maintaining their share of the market thus proving that price alone is not of overriding importance. The right design can and will sell a garment.

Lucia van der Post

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New York: 75 Rockefeller Plaza, N.Y. 10019
Washington: Second Floor, 1325, E. Street, N.W., Washington D.C.
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 241 2920
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FRIDAY, JUNE 4, 1976

The Syrian dilemma

SYRIA'S intervention in the Lebanese crisis is running into difficulties from several different directions. What started out as an attempt at mediation, backed by a token show of force, appears to be turning into an increasingly important military commitment just because mediation failed to produce any meaningful progress towards political compromise between the Christian and Moslem communities. The attempt to secure wider Arab support for intervention in the Lebanon has been brought up short, for the moment at least, by the long-standing dispute between Damascus and Cairo over the Sinai disengagement agreements. Within Syria itself the policy of even-handedness between the two Lebanese communities, as well as the failure of the policy to produce conclusive results, have created tensions within the régime whose seriousness can only be guessed at, but which may oblige the Damascus government to envisage a change of tack.

Even-handedness

The merit of the even-handedness of Syria's policy until now is that it has not directly threatened to precipitate any new conflict in other parts of the Middle East. So long as the Damascas government seemed determined to prevent partition and to maintain the rights of the Christion community, and so long as its hands remained occupied with trying to carry out this policy, Israel could feel that its own position was not immediately menaced: and that is, no doubt, the reason why Syria renewed without fuss the UN mandate on the Golan Heights.

Yet it is difficult to imagine that Syria's motives can be purely disinterested. On the one hand there is undoubtedly the desire to assert a position of leadership in the Arab world by dealing with what could be an explosive political situation in the Lebanon: on the other there is the suspicion, which is certainly entertained by the Palestinians, that Damascas' intention is to take over and use for its own purposes the Palestinian cause, by playing a dominant role not merely in the Lebanon but also in Jordan. Whether the Damascus régime really does have long-term ambitions to create a Greater Syria to the north and east of Israel, there can be litle doubt that the rapprochement between President Assad and the Hashemite régime in Jordan is distasteful to left-wing movements in Lebanon, as well as to the Palestinians.

Discouraging

As of yesterday talks had started again between Christian Phalangists and left-wing Moslems, and one cannot absolutely rule out the possibility that the Lebanese will be induced by the growing pressure of Syrian intervention, and by the fear that intervention could turn into domination, to embark once more on the search for political solutions to their crisis. If not—and the record of recent months is not only extremely discouraging in itself but has left a trail of bloodshed which makes political solutions inherently more difficult—then it is very difficult to see how Syria could, by itself, impose a settlement by force of arms. There are those in the Syrian armed forces who would like to go in in strength to separate the combatants, but such an enterprise might, if it remained even-handed, require the use of a very large part of Syria's armed forces, and impose a heavy economic burden.

If the two communities in the Lebanon remain deadlocked in mutual hostility and violence therefore, Syria may face a series of difficult choices. At the risk of undermining its standing in the Arab world, and of weakening its leverage over the solution to the Lebanese crisis, it can admit its inability to solve the problem by itself and appeal for outside help. The French Government has offered to mediate, but while the offer still stands, it has been made more difficult, according to the French Foreign Minister, by the escalation of Syrian intervention. On the other hand, there is a danger that Damascus could lose control over the situation and that this could lead to new and incalculable consequences for stability in the Middle East.

Japan set for new growth path

ALTHOUGH Japanese officials have been saying for some time past that the economy is now moving definitely out of recession, there has been room until recently for some scepticism: false dawns have been officially welcomed in the past. But the rise in real GNP during the first quarter of 1976, after a disappointing fourth quarter of 1975, is the best for three years and tends to confirm the optimists. Having reduced the rate of internal inflation with some success—though there is some way still to go before the price situation can be regarded as satisfactory—Japan now looks set to join in and so help to strengthen the general business recovery.

But growth, in the immediate future at least, looks like proceeding at a much slower rate than in the galloping days of the past. One reason for this is that one inheritance from those galloping days—a readiness to accumulate huge stocks—is still proving an embarrassment: great efforts have been made during the past couple of years to reduce the value of stocks to a more realistic level, but the process has not yet been completed and will act for some time as a brake on business recovery.

Wage increases

The reappraisal of economic growth prospects has had far-reaching consequences in other sectors of the Japanese economy. Traditionally, for example, Japanese firms employ workers during their lifetime. The pressure on profits of retaining half-employed labour during an unusually prolonged recession, however, has caused unemployment to rise sharply and it is possible that firms will now be more careful about adding to their labour force—a development which might bring about gradually major changes in industrial relations. The present level of unemployment is probably largely responsible for the relatively modest rate of wage increases negotiated this spring, which, after allowing for likely price increases, will not in itself allow much room for higher consumer expenditure.

In the past, again, capital investment in Japanese industry has tended to rise relatively soon and sharply after the turn of the business cycle. Now, although credit conditions are being kept deliberately easy, investment intentions are not rising as sharply or quickly as in past recoveries and the pattern varies greatly between one industry and another.

Export prospect

Perhaps the most significant change in Japanese attitudes, however, is in relation to exports. Rapid growth in the past has been led by the fast growth of exports and it is interesting that recently, in a month when exports rose sharply, Japanese comment was not to such self-congratulatory as fearful that political pressure in other countries to impose barriers against Japanese imports might increase. In fact, the rise in exports has been concentrated in the U.S., where there has been little political protest so far: the more pessimistic Japanese forecasters have put their emphasis on the fact that these exports consist largely of a small group of consumer goods and that the demand for them may tail off as stocks are replenished. But the European Community, which has now established an office in Japan, does seem to be taking a firm enough line to convince the Japanese authorities that the growth of their exports into the European market must be negotiated and regulated if it is not to provoke covert restrictions of one kind and another. The new sensitiveness to such representations is probably the biggest change of all in Japanese attitudes towards the prospect of future growth.

Boeing's name is prominent in the current talks on both sides of the Atlantic on possible new airliner programmes. **Michael Donne**, just back from Seattle, reports Boeing's views.

Planning a new generation of airliners for the 1980s

ALTHOUGH the French Government is due to consider next week plans for future civil aircraft collaboration with the U.S., there is a growing belief that a final decision will be deferred for some time, to enable further discussions with other European aerospace organisations, especially in the U.K.

At one time, it had seemed as though the French were set on a breakaway course from Europe, with a choice of two potential programmes with the U.S. — Dassault / McDonnell Douglas and Aérospatiale/Boeing. In recent weeks, however, the situation has changed. Britain has suggested that it should rejoin the European Airbus Industrie consortium, building the A-300 Airbus, while there have also been pressures on the French from other European countries, notably West Germany and Holland, with Mr. Gerald Kaufman, U.K. Minister for Aerospace, lobbying hard in Paris this week.

As a result, there are hopes that the French will pause before making any final commitment. This will satisfy everybody: for finding the right new civil aircraft design for the future, and evolving the right international consortium to build it, is too complex a task to be rushed—a factor which the big U.S. companies, such as Boeing, Lockheed and McDonnell Douglas, themselves recognise.

This does not mean, however, that time can be wasted. The next 18 months will be critical, for if a new generation of airliners is to start entering service in the early 1980s—when many ageing existing jets will need to be phased out—orders will need to be placed some time late next year.

International deals?

This in turn implies that any international collaborative arrangements should be established by the end of this year, so that the chosen designs can be refined through the first half of 1977, to the point of enabling airlines to make up their minds on what to buy.

This is the sort of time-scale that Boeing of the U.S. has in mind. It says that the period between now and the end of 1977 will be "the 18 months that matter," for in that period not only will the recession be seen to have ended, but also world air traffic will be moving up strongly, and environmental pressures and the need for increased fuel economy will be dictating the need for new "advanced technology" aircraft designs for the 1980s.

Boeing is in a unique position. It is the strongest civil aircraft builder in the world, with a big market and immense goodwill among the airlines, and the biggest backlog of any jet manufacturer, guaranteeing it work at current levels through to 1978-79, with orders still flowing in. Thus, it is the most desirable partner in any international collaborative pact, and what it thinks and does influences many other attitudes elsewhere.

Like everyone else, it knows that the future lies in one of two directions—either the continuation of existing product lines, incorporating improvements to reduce noise and improve fuel consumption, or the introduction of entirely new "advanced technology" models that will meet airlines' needs through to the end of this century.

Boeing, in fact, is working in both areas. It is continually updating all its existing 737 short-range, 727 medium-range and 707/747 long-range models (the latest improvement being the introduction of the Rolls-Royce RB-211-524 engine in the 747).

At the same time, however, it recognises that there will be a market for new aeroplanes by the early 1980s. It foresees a total potential of $46bn. (or about 3,000 aeroplanes) between now and 1985, of which about $20bn. will be replacements of existing ageing jets, and the remaining $26bn. new purchases to meet the steady growth of world air traffic. It further analyses this market as to $23.1bn. in medium-range jets (of which three-quarters will be sold in the U.S.): about $7.3bn. in the short-range market (of which some two-thirds will be sold outside the U.S.); about $13.6bn. for long-range aircraft (mostly outside the U.S.), and some $2bn. for freighters, about half in the U.S. and about half outside.

Looking at its own possible share of this market, Boeing has identified scope for two new broad families of jets, with which it thinks it can win around half the $46bn. total sales, the rest being divided among the other U.S. airliner builders and those outside the U.S., including Europe. These two families it has labelled 7X7 and 7N7. So far, they are little more than design concepts, covering respectively the 200-seat and 150-seat categories. In each family, a wide variety of specific designs is being explored.

The first member of the 7X7 family will be a 200-seat medium-range aircraft, aimed mainly at replacing the existing Boeing 727 series, of which nearly 1,300 have been sold so far. The 7X7 when it finally emerges could be either a twin-engined aircraft, using the existing generation of "big-thrust" engines such as the Rolls RB-211, Pratt and Whitney JT-9D or General Electrir CF6-50, or a tri-jet, using the new generation of "ten-ton thrust" engines, the Snecma/GE CFM-56 or the Pratt and Whitney JT-10D (in the development of which Rolls-Royce is expected to participate). Eventually, the 7X7 family could be widened to include a four-engined, long-range aircraft, with various payload-range combinations.

The other family, the 7N7, is smaller, initially based on a stretched version of the existing 737 short-range, airliner, of which several hundreds have been sold. It would seat about 150 passengers, and is intended to replace not only 737s, but also DC-9s, One-Elevens and other short-range types in service round the world.

The 7X7 is the biggest programme, because it is intended to meet the vast medium-range market for the1980s and beyond, which Boeing assesses at about 50 per cent. of the total world requirement, or some $23bn., with some three-quarters of this in the U.S. itself. Boeing reckons it could sell some 300-400 7X7s by 1985, with another 300 up to 1990. Together with derivatives, such as a four-engined, long-range version, it foresees a total 7X7 market of up to 1,000 aircraft.

It is this which makes collaboration with Boeing on the 7X7 such a desirable goal for the individual European and other aerospace manufacturers. So far, Boeing has spent some $60m. on the design studies, and has several hundreds of designers and others working on the programme. Total non-recurring programme development cost could be as much as $750m.-$1bn., with a time-scale of four years from initial launch to airline service. Thus, if an airline orders in mid-1977, the 7X7 could be in service by 1981.

The 7N7 programme would cost less, about $250m. or so, and would take less time—about three years from launching date. The market is smaller—about 16 per cent. of th etotal world demand for jets, or about $7.3bn. out of the total $46bn., but much more of this market would be outside the U.S., especially in the developing countries.

These market analyses are vital to an understanding of Boeing's attitude to international collaboration, and especially foreign investment in its programmes. Three points have to be borne in mind. The first is that, no matter what happens in Europe, or even elsewhere in the U.S., Boeing is determined to stay in the jet business, and will build both the 7X7 and 7N7, even though precise time-scales and designs have yet to be settled.

Second, Boeing's interest in collaboration stems as much from a desire to protect its overseas markets as from a desire to share the financial risks involved in new ventures. Contributions from overseas would reduce its own risk and widen its markets.

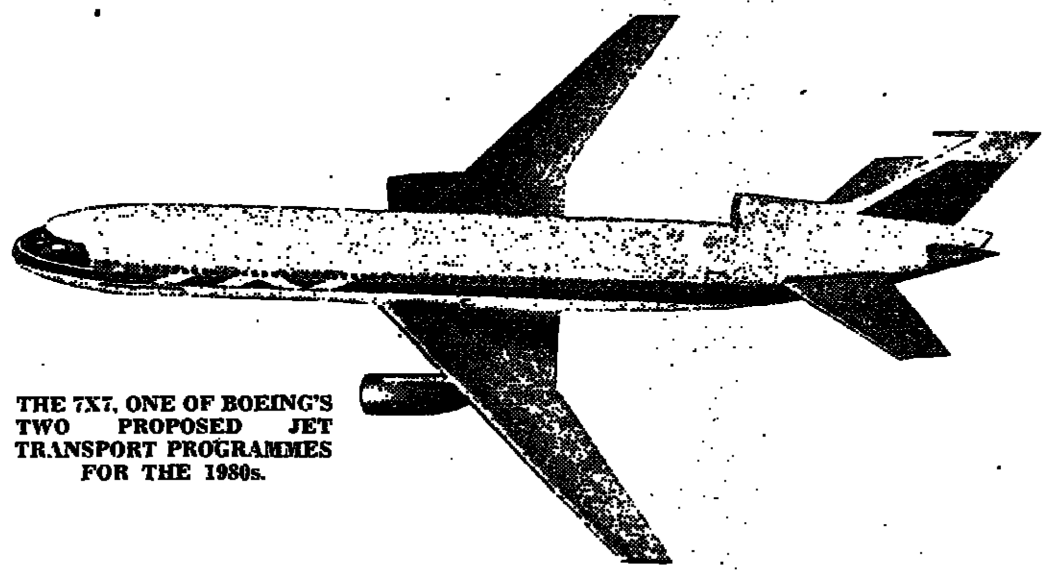
But, Boeing believes that if necessary it could build both the 7X7 and 7N7 by itself, raising the cash inside the U.S. and launching both families of jet on U.S. airline orders alone—although it admits this would be severely straining its resources and is therefore to be avoided if possible.

This leads to the third point, that any international collaboration will have to be on Boeing's terms. Because the 7X7 is likely to find its biggest market inside the U.S., Boeing will certainly want to retain control of that programme, no matter with whom it works. At present it has a commitment of 20 per cent. from Aeritalia of Italy, and it is talking not only with Aérospatiale of France but also with Japanese and U.K. manufacturers. If one or more of these came into the 7X7, Boeing would revise the work sharing arrangements so as to ensure that it retained at least 51 per cent. of the programme, and it would prefer to work with a group of foreign companies rather than having an exclusive agreement with only one country or company. So far as the 7N7 is concerned, Boeing would be more flexible, because more of the market would lie outside the U.S., but it would still want to ensure that its ideas for the aeroplane prevailed.

Just how these requirements would work out in practice remains a matter for negotiation with the foreign companies concerned. Boeing stresses that nothing is so far settled, and that even where the French are concerned discussions are still at an early stage.

All this implies that there is still a long, hot summer of negotiation in front of the world's major aerospace manufacturers on both sides of the Atlantic before any final collaborative agreements are signed. Even if preliminary "memoranda of understanding" are agreed, for example, between the French industry and Boeing, there is still a lot of wor to be done before any final commitments are sealed.

Thus, there is still scope for the situation to change radically. Boeing admits that it does not want to see its European markets being seized by a newly-created European aerospace group building a new European-designed medium-range jet, whether this is the B-10 derivative of the A-300 Airbus or something else.

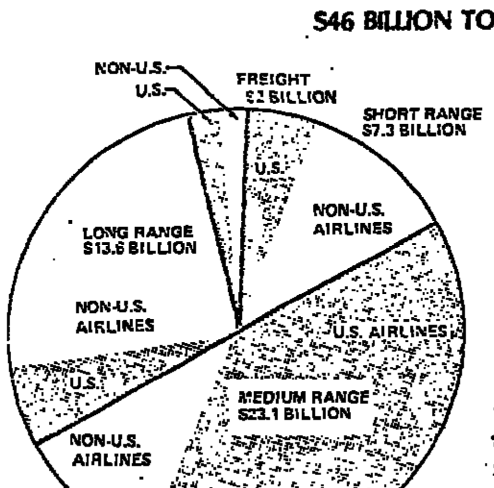


THE 7X7, ONE OF BOEING'S TWO PROPOSED JET TRANSPORT PROGRAMMES FOR THE 1980s.

WORLD COMMERCIAL JET TRANSPORT MARKET

OPEN MARKET THROUGH 1985 (CONSTANT 1975 DOLLARS)

$46 BILLION TOTAL



PRODUCT ASSUMPTIONS		
CATEGORY	CURRENT	POSSIBLE FUTURE
SHORT RANGE	737-200 DC-9-30/50 747SR BAC-111	737 DERIVATIVE DC-9 DERIVATIVE 7X7 MERCURE 200
MEDIUM RANGE	727-200 A-300 DC-10-10 L-1011	7X7 DC-X-200 A-300B-10 DC-10 STRETCH
LONG RANGE	707 DC-10-30/40 747-100/200 747SP CONCORDE	707 DERIVATIVE 7X7 747 DERIVATIVE A-300 DERIVATIVE
FREIGHTER	747F/C DC-10C/F	

NOTE: EXCLUDES USSR, PEOPLE'S REPUBLIC OF CHINA, AND NON-ICAO NATIONS, BUT INCLUDES TAIWAN AND ALL-CHARTER CARRIERS

Source: Boeing Commercial Airplane Company

MEN AND MATTERS

Picture v. Mirror

So the Daily Mirror is back to "Britain's biggest daily sale." A nice position, of course, but only this week the paper had to drop the boast—first adopted when Britain got into the EEC—that it had "Europe's biggest daily sale," a claim invalidated by the performance of West Germany's popular daily Bild Zeitung.

Bild has in fact been ahead of the Mirror for a good while, but the British paepr amended its front page claim after an unusual meeting between the two sides, involving Mirror people and Christian Wenzel, advertising sales manager in Britain for the German Axel Springer group which publishes Bild Zeitung ("Picture Gazette"). The German paper's sales in the first quarter of 1976 were 4.2m. against the Mirror's 3.9m.

Springer's Die Welt, the "quality" paper which with Bild is one of only a handful of West German national dailies, was started just after the war by the occupying British. Bild's rise to eminence began with a Springer decision to emulate the British popular Press's success with tabloid size pages.

Bild was started in 1953, with a concentration on pictures that was clearly a sensible way of building new readership in the few months before German television started. Its reputation has been made by its reporting of life's lurid side and by its large covering of sport using one of the biggest sports editorial staffs in Europe. Another crucial reason for its early success was the fact it first cost 10 pfennigs, a convenient coin to pay over to the news vendor.

These day's Bild has 20 regional editions, printed in Hamburg, Hanover and at a new DM70m. web offset plant in the Ruhr which produces 1.6m. of the total circulation. Unusually, it now has a two-tier price structure: 25 pfennigs in the provinces and 35 pfennings for the bulkier city editions circulating in Berlin, Hamburg, and Munich.

Bild is profitable, and, significantly in a country where newspaper reading is not so ingrained as in Britain, tends to be widely read both among industrial workers and, say, in Government offices. Unlike our homely Mirror, Bild prefers a decided right-wing line that tends to be the hallmark of the Springer organisation.

There is one more wrinkle to the "most popular" title. It seems that Bild is quite a way behind the Mirror in readership terms, but the British paper in turn is now probably beaten reader-for-reader by its arch-rival The Sun. That paper now features itself having "Europe's biggest daily readership, but Springers Wentzel said yesterday that Bild does not indulge in front page claims about its selling successes.

"They want to make absolutely certain we see all the British competitors finish."

Play down

Now for good news. A Greater London Council plannig committee has given the thumbs down to the notion of staging the 1984 Olympics in London for the admirable reason that the cost could be as much as £1bn. and the loss as high as £200m. A final decision still rests though with the full Council.

Will *anyone* want to host the 1984 Olympics? The London games in 1948 cost a giveaway £721,000 and this year's Montreal extravanganza will cost £850m. plus. For London, one of the planners declared yesterday, a £200m. loss "would put our ratepayers in debt for the next 20 years."

Gilbertian Herbert

"That," said John Buckley, chairman of the much-troubled Alfred Herbert machine tool group, "was a procedure which would have delighted Gilbert and Sullivan." He was speaking after yesterday's anual meeting of the company which provoked, to say the least, scant interest among the remaining shareholders.

At the end of last year, the Ordinary shares were bought out by the National Enterprise Board at 6p a time, an offer vigorously opposed by some small investors. But Herbert's Preference stock remains in private hands, and, that is the reason why the company had to go through the motions of presenting the 1975 accounts to an annual meeting.

How things change. The last time Herbert held a meeting, it was last November to get acceptance for the Government's terms. The gathering was in Coventry, lasted four hours, and was considerably enlivened by one angry shareholder's attempt to carry out a citizen's arrest on chairman Buckley. However, at the end of a stormy session, 85.9 per cent. of Herbert shareholdings accepted the deal which cleared the way for a £25m. State rescue package.

Yesterday's meeting was switched to the Cumberland Hotel in London. Twelve directors and a representative of the auditors looked out over rows and rows of empty chairs. They faced just three people: two reporters and a public relations man.

The Board had expected at least a few of the 49 Preference holders to turn up and complain because they have not been paid any dividends since May 1972. In all they are owed the relatively minor amount of £50,000. But Buckley insisted that no Preference distributions could be considered until Herbert is profitable again. Last year's net loss was £13.8m., and Buckley told the empty rows of chairs more gloomy tidings about the early months of this year.

But the really Gilbertian aspect of the meeting was the taking of six resolutions to re-elect various directors, with Board members dutifully voting for one another. Pardon my innocent merriment. . . .

Forewarned

How's this for an omen for the forthcoming Italian elections? An Italian working at the EEC Commission in Brussels has just received his voting papers which arrived to the "Commissione Communista Europea."

Observer

POLITICS TO-DAY

BY DAVID WATT

Crises concentrate minds wonderfully

THERE IS nothing like a good old-fashioned sterling crisis to concentrate the mind of a British politician. There was a time at the beginning of the era of floating exchange rates when this great truth (Watt's Law No. 3) looked like going into abeyance. But you can't keep a good law down. Behind the stiff upper lip of Ministers and the frantic denunciations of the Conservative front bench there lies a concentrated knot of calculation and fear. The Government has caught a dizzying glimpse of the rocks at the bottom of the precipice and the Opposition has suddenly realised that it might actually be their turn at any moment.

What produces the vertigo, of course, is the sense of impotence. It is possible to outwit the foreign exchange market up to a point by well-aimed intervention and skilful bluff; and the more reserves and credit facilities the authorities can put together the better chance they have. All this is being done.

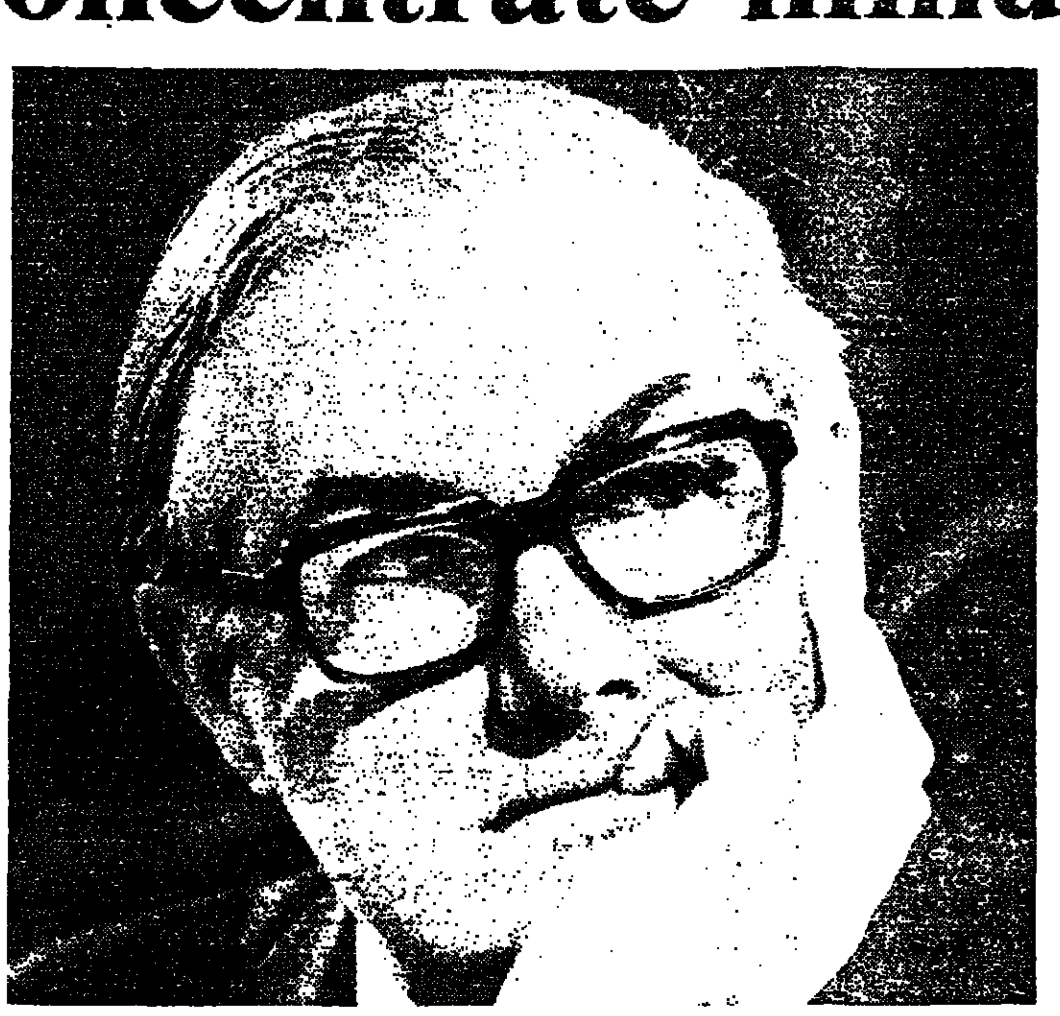
But there is always a point at which the reactions of a market spin out of control; and, in the present case, Ministers perceive a genuine possibility that their entire economic and political strategy will be swept away without their being able to do anything to prevent it. Whether the proximate cause of the crisis is alleged to be Socialist profligacy or wicked speculation by the gnomes of Zurich and London, or the unpatriotic tendency of the British Press to tell the truth, or the absurd quixotry of the British Government in refusing to hand over General Gowon to his enemies in Nigeria (who are no doubt unloading sterling in retaliation) — it hardly matters. The end result could well be the same disaster.

From the Government's point of view there are two alternative *roads to ruin.* The more direct of the two is that pointed out to them by the Conservatives and some parts of the Press and the City — a package of immediate cuts in expenditure. This might halt the decline *in the exchange rates, at least* for a while. But the cost would be enormous:

1.— The miners would almost certainly tip over into opposition to a 4½ per cent. wage agreement. They may do this in any case and it is true that their doing so does not necessarily entail a showdown with the Government or a strike. It is quite possible that having registered their disagreement, the miners would accept the majority view of the Special TUC Conference. But in the meantime the effect on sterling would be very bad.

— 2. The Special Congress would in fact probably fail to endorse the agreement itself. This cannot, of course, be proved: but since the original agreement with the union leaders was posted on certain public expenditure assumptions, the charge of bad faith would certainly be flung about with dangerous abandon. And in such an atmosphere almost anything can happen.

3. The Government's position in the House of Commons would become highly uncertain. Admittedly, it is difficult to imagine a motion which would enable the Conservatives to vote with a clear conscience against expenditure cuts. But the Government's practical majority is being whittled away all the time by one cause or another— the latest being the row over



the Aircraft and Shipbuilding Industries Bill—and it now only needs a few left wing mavericks to declare war on the Government for its downfall to be acomplished. At present this does not happen, because potential rebels are aware of what vengeance *would* be visited upon the men who let in Mrs. Thatcher. If the union movement loses faith in the Government, these restraints will be to some extent removed.

4—One way or another an early General Election would become much more probable. The outcome of an election might not appear to be too unhopeful for Labour. After all, the Government is only 3 percentage points behind the Conservatives in the latest Gallup Poll—a very low hurdle indeed for an incumbent Government to take during the course of an election campaign. The catch lies in Scotland. Irrespective of the national poll ratings, the Scottish National Party is likely to make a good deal of headway in Scottish assets at Labour's expense in any election which takes place before the devolution proposals are enacted. There is quite a high probability that any election this year would live the SNP holding the balance of power. Heaven (and perhaps Margo McDonald) knows what SNP terms would be for supporting either major party in Government — but we can be sure that they would not be particularly easy to meet.

5. The chances are that the power of the Left within the Labour Party will be strengthened. A Government collapse brought about by the rupture of the new concordat between the Labour Government and the *union movement would probably* set the party aff around the same track that it pounded in 1970 and 1971—with the Left in the lead and the rhetoric of betrayal urging them on. The attempt to re-establish some moderate/centrist control over party policy is under way at present and is evidently to be carried quietly forward under the Callaghan regime. Whether Mr. Callaghan himself or any of the right-of-centre Ministers now responsible for policy—Mr. Healey *in particular—could* survive a politico-economic débâcle is a very moot point. The chief beneficiary would be Mr. Benn.

It will be seen from all these points that it would need something very compelling indeed to push the Cabinet down this route. Indeed, it is even doubtful whether the present Cabinet could survive such decision at all. Mr. Foot would presumably resign and Mr. Benn would certainly not consent to be upstaged by him. It should not be assumed that all other members would go along quietly either. The plausible picture of a Labour Government deliberately raising unemployment at the behest of international Capital is one that anything up to half the Cabinet would refuse to appear in.

What, then, about the alternative of doing nothing and taking the entire strain on the exchange rate? On the assumption on which the whole discussion is based—namely that sterling goes into a tailspin—this is an almost equally unattractive option. The result of the gradual, but steady depreciation which has taken place since March has been (or will be) to reduce real living standards in Britain by 3-4 per cent. This, though unpleasant, is politically tolerable because the mechanism is not widely understood and the rate at which the effects work through to retail prices in the shops is time-lagged.

A more precipitous decline would have a much more dangerous political impact, for its implications would be much more easily understood and the effect on the retail price index, though still delayed, would be very abrupt.

Little choice

A practical politician surveying this Scylla and that Charybdis really has very little choice. He must clearly try to hold up the exchange rate but by means that do not land him in immediate political difficulties. Dismissing the Left-wing "siege economy" solution as excessively dangerous because of possible retaliation (to say nothing of the political unpopularity of controls and rationing) one is left with something pretty much like the Chancellor's present position. This is based on a mixture of borrowing, bluff and political bamboozlement, all designed to conceal a fairly straight-forward middle-of-the-road policy.

The exchange rate is to be maintained at more or less its present rate (give or take 10 cents) by the judicious use of credits of one sort of another and speculators are to be simply faced down by the spectacle of the sheer weight of support facilities at the Government's disposal. Rational doubts about the British inflation rate are to be met (a) by the evidence of the wages policy (b) by a lot of play with the Government's adheraance to existing expenditure ceilings and (c) by fierce, but vague, statements about the Government's attitude to monetary policy next year.

Sooner or later the unions and the Left-wing are going to wake up to the fact that real and rigid curbs on this year's expenditure are far more painfu than they thought, and that any degree of monetary rectitude in 1977-78 will entail excrutiating expenditure decisions this autumn and winter. But by the time all this has really sunk in, the TUC Special Congress *will* be long past, and the economy will be picking up markedly at the end of the recession. At this time of falling unemployment, cuts will seem less fraught with significance.

There is nothing totally implausible about this scenario — certainly not the immediate situation in the House of Commons. The Conservative Opposition is not psychologically ready to bring on an election and its declaration of procedural war in Parliament will be difficult to carry out for more than a short period in the face of the boredom of its own supporters. The questions which hang over the strategy are two. Will the Cabinet really brace itself for cuts in 1977/78? And, in the *meantime, can the perceptions* on that point of the unions and the holders of sterling be kept pointing in opposite directions? I, for one, am not bold enough to answer.

Letters to the Editor

Working capital requirements

From Mr. A. Thompson.

Sir,—It appears that the subcommittee of The Inflation Accounting Steering Group dealing with monetary items will be recommending that all adjustments in respect of monetary items should be dealt with through a supplementary statement. While this leaves the treatment of borrowing unsolved, it also ignores a much more immediate problem. Whatever view is taken about the treatment of borrowing, there should be unanimity in the view that trading profit, before interest charges, is correctly stated. This will not be the case unless some amendment is made to Sandilands.

It is not stocks which a company needs to finance, but its working capital. In addition to holding stocks, most companies need to provide credit to their customers. These needs are partly financed by the credit which a company's own suppliers provide; and for the aggregate of companies debtors and creditors approximately equal each other. Therefore, taking the economy as a whole, it is a reasonable approximation to say that the money which needs to be set aside to maintain working capital is equal to stock appreciation. This is not, however, true for individual sectors of the economy nor, even more, for individual companies.

In general debtors and creditors are almost as large as stocks, so that relatively small variations can lead to quite substantial differences in working capital requirements. For example, the chemical industry appears to sell on materially longer credit terms than it receives from its suppliers and, therefore, requires working capital which is 125 per cent. of its stocks. Food manufacturing, on the other hand, receives substantially more credit than it *gives, with the result that it only* needs 87 per cent. of its stocks as working capital.

These industry classifications are not homogeneous and, within them, there is a surprisingly wide degree of variation. The table shows five food *manufacturing companies;* the first three are all concerned with milling and baking and are generally regarded as comparable; the last two are both biscuit manufacturers and any outsider would expect them to be virtually identical. Clearly, *they are not.*

Why does this matter? There are two reasons. The first is unfairness to the companies themselves. Clearly, *if* United Biscuits is granted tax allowances sufficient to allow it to finance all its stocks out of its *internal cash flow when a quarter* of them are already being financed by net creditors, it will be treated unnecessarily generously *for* tax purposes. On the other hand, Associated Biscuits will be treated unnecessarily harshly *for* tax purposes and will need to finance a fifth of its inflationary increase in working capital out of taxed earnings.

The second reason why the use of stocks rather than working capital for calculation of the cost of sales adjustment is wrong and dangerous is that it will make a nonsense of trying to compare the current cost results of companies even at a trading profit level. How will it be possible to compare the current cost profits of two companies, such as Associated Biscuits and United Biscuits, when they both appear to require the same cost of sales adjustment when, in fact, Associated Biscuits needs to put aside over 60 per cent. more than United Biscuits for each £1 of stocks in order to remain in business at the same level of activity?

The most extreme case is that of a bank, the whole of whose working capital consists of debtors and liquid resources. It must not, however, be thought that the banks are a special case because they deal in money. Virtually every company *deals in money* as well as in goods and needs to keep its monetary transactions growing at the same rate as its non-monetary assets rise with inflation. Unless some alteration

	Stocks	+Debtors	−Creditors	=Working Capital
AB Foods	100	+ 71	− 89	= 82
Spillers	100	+103	− 99	=104
R.H.M.	100	+108	− 70	=138
Ass. Biscuits ...	100	+119	− 94	=125
Untd. Biscuits ...	100	+106	−129	= 77

is made to ensure that the "cost of sales adjustment" in current cost accounts is *calculated* on working capital rather than on stocks, there will be gross unfairness between companies and nearly every company's trading profit will be wrongly stated.

A. P. Thompson,
de Zoete and Bevan,
25, Finsbury Circus, E.C.2.

The question of underwriting

From The Deputy Chairman, Samuel Montagu and Co.

Sir,—Lex's upbringing seems to have been a sheltered one if he seriously believes (June 2) that there has never been an underwritten issue that has not been fully sub-underwritten.

To remind him of the basic facts of life, the bank acting as prime underwriter will sign up with the client, whereupon the company's money is assured; thereafter (but of no direct bearing on the company's position) sub-underwriters are offered their participations—which they may or may not accept.

On the occasions when the bank is unable to lay off its liability as planned, and therefore remains on risk in respect of that part of the issue involved, it is not customary—for reasons that are surely too obvious to require explanation—to make an announcement to that effect.

Finally, on the question of underwriting generally — commission rates and discounts—it is obviously all too easy to criticise when statistics ignore the "sticks" and concentrate on the fully subscribed issues. Furthermore, the apparent rigidity of the system in the context of commission rates should not be construed as implying lack of flexibility, which is provided by scope on discount negotiation. Those in the business are fully aware that the going discounts are much larger than they were some years ago, but this is reaction to the greater volatility of stock market prices to-day—a state of affairs that cannot validly be laid at the door of the underwriting fraternity.

J. R. Gillum.
114, Old Broad Street, E.C.2.

Overheads must be controlled

From The Chairman, United Biscuits.

Sir,—Any company which allows its overheads, however worthy, to get out of control will not remain profitable. Shareholders wishing to protect their savings will sell their shares. This is exactly what is happening to Sterling.

The country has allowed its "overhead" to get out of control. Overseas holders of Sterling (shareholders) are selling. The time has come to define the overhead we can service (let us err on the safe side) and cut our national cloth accordingly.

If we allocate our national resource more to the creation of wealth the £ will regain its former place among world currencies. If we do not the £ will continue to decline. The choice is ours.

Hector Laing.
Syon Lane,
Isleworth, Middx.

Certificates of origin

From The Chairman, Anglo-Israel Chamber of Commerce.

Sir,—May I be allowed to comment on the short article "Finally there" (May 18), describing the work of the Arab British Chamber of Commerce in London and referring in particular to its role in issuing "certificates of origin for goods produced in Britain and destined for the Middle East"?

What is of primary importance for your readers to know is that the ABCC intends issuing negative certificates of origin—that means that British exporters to Arab countries will be asked to *certify that their goods are not* wholly, *or even in part,* of Israeli origin. This kind of certificate has been condemned by responsible business groups throughout the world, including the International Chamber of Commerce.

The ABCC, plainly, is to be used as an agency of the Arab Trade Boycott Office in Damascus. The British Government has already indicated on numerous occasions that it is utterly opposed to the practices of trade boycotts. Negative certificates of origin, which are designed to support a particular boycott and *its restrictive effects* on trade, should clearly be discouraged.

The principal purpose of the boycott, of course, is to interfere with trade between Israel and countries like Britain by all possible means. This has to be resisted, and it has already been shown that resistance pays off. Companies which *have refused* to make obeisance to Arab restrictive trade practices are to-day doing business with both Israel and the Arab world.

Lewis R. Goodman.
Anglo-Israel Chamber of Commerce.
8-12, Brook Street, W.1.

Scope for bank managers

From Mr. N. Corby.

Sir,—In his article "More scope for bank managers" (May 26) Michael Blanden made the point that the clearing banks must develop their financial advisory services to small businesses: if anything, this is an under-statement.

It is *when* considering how such facilities can be provided, however, that the differing approach of both sides could possibly hamper a solution. On the one hand there are the small businesses mostly lacking in both financial resources and efficient *financial management, while on* the other hand the bank manager, who has probably not had any commercial experience, has only a very limited time to devote to any one customer. Thus, any negotiations between them are usually conducted *along standard lines of borrowing,* such as against a well secured position only. Because the small business often needs more facilities than it has assets to cover them, the relationship between the bank and its customer deteriorates. This is bad for both parties and is certainly not what the clearing banks desire.

What can be done? The small businessman must realise that if he expects his bank to be his financial adviser then be must be prepared to pay the proper price for that service because the cost of assisting such customers must be very high. For their part, bank managers must become more conversant with the way of life in a small business and must have within their branches an "expert" with both the time and the ability *to help such customers. It is no* use referring the average small business to local head offices nor to specialist departments unless their needs especially demand such treatment.

Most small businesses want to deal only with their local branch manager and they want to feel that he understands their particular outlook and has the necessary authority to assist them without having to refer their case. This means that the manager must have greater autonomy than he has now which, in the current economic climate, is probably against head office thinking.

Surely a more enlightened attitude can only be beneficial to both sides.

N. D. B. Corby.
27, Old Bond Street, W.1.

Wasting money

From The Chairman Inland Revenue.

Sir,—We are accustomed to criticisms of our methods. Sometimes the comments are less just than at other times. Mr. C. Palmer (May 28) simply astounds me. How is the Inspector of Taxes who has written to him expected to make his contact with Mr. Palmer's own Inspector unless Mr. Palmer tells him who the latter is? It is Mr. Palmer who is wasting the taxpayers' money by not replying, not the Inland Revenue.

Norman Price.
Inland Revenue,
Somerset House, W.C.2.

Hong Kong shipping

From The General Secretary, International Transport Workers' Federation.

Sir,—Your May 25 issue contained a letter from the executive secretary of the Hong Kong Shipowners' Association which we find puzzling, if not contradictory. On the one hand, he denies that local shipowners would like an independent shipping registry— independent of requirements of the U.K. Merchant Shipping Acts, that is—to enable them to reduce standards and/or wages while on the other that they wish "to keep salaries at levels compatible with Hong Kong wage structure."

As salaries and conditions of employment of the U.K.-certificated officers which Hong Kong-registered ships are now required to carry are now compatible with the U.K. it is clear that to make them *compatible with the U.K. it is* only mean a sizeable reduction in salaries.

International maritime unions are also convinced that Hong Kong shipping's standards— particularly safety standards— would inevitably be lowered if *only because very many Chinese* officers now serving in Hong Kong-owned Liberian- and Panamanian-flag ships on the strength of spurious professional certificates forged in Hong Kong could be expected to transfer to Hong Kong-registered ships.

Seafarers representative organisations remain resolutely opposed to an independent Hong Kong ship registry and Mr. Walton's letter will serve to strengthen their resolve. They are equally opposed to the creation of an independent "convenience" ship register in Bermuda. This would benefit elements among the international shipowning brigade who flit from register to register in their never-ending quest for a competitive advantage. It would also no doubt help to line *the pockets of more local lawyers,* bankers, trust companies, etc., but we are convinced it would be inimical to the best interests of U.K. and international shipping and to seafarers generally.

It is sad, but perhaps an indication of U.K. shipping's reduced standing and influence in the maritime world, that British owners have so far expressed no views on proposals for these independent registers within the British Common*wealth. Or are they hoping that* if the registers are established they will provide a haven for U.K. owners as well as the maritime mafia?

C. H. Blyth,
International Transport Workers' Federation.
Maritime House, Old Town, Clapham, S.W.4.

Executive airport

From Mr. D. Bay.

Sir. — Michael Donne's article on general aviation (May 24) and the desirability of an airfield near London exclusively for executive and general aircraft, brings to mind the airfield at Radlett which belonged to the now defunct Handley Page Air*craft Company.*

The field remains, in what I would think, is an ideal location. Runways are intact, approaches unhindered with the possible exception of some local houses and motorways abound in the region. London proper is a very few miles away and I doubt if international airline airways present a problem.

Some years ago, before the demise of Handley Page, Squadron Leader "Hazel" Hazeldean prepared a comprehensive study of the feasibility of using the Radlett airfield for such purposes. "Hazel" was chief test pilot for Handley Page, and it would be interesting, no doubt, if the favourable conclusions arrived at in his study, c.1967-68, would be relevant to-day.

David M. Bay.
11, East Common, Harpenden, Herts

Gold and the Third World

From the chairman, the Anti Dear Food Campaign.

Sir. — In our present circumstances I can only suppose that whatever "authorities" they were who agreed to our share of the profit on the IMF gold that is being auctioned being lent or given away to third world coun*tries must be stark, staring* mad. With our own resources hopelessly over-committed and running out fast, with our enormous trade and balance-of-payments deficits, how can we afford to give away anything to anybody? If it were their own money, they *would be entitled to behave irre*sponsibly, but it is not; it is ours.

Oliver Smedley.
Neville House, Wendens Ambo, Saffron Walden, Essex.

GENERAL

Lord Ryder, chairman, National Enterprise Board, is guest speaker at annual meeting of North-West Industrial Development Association, Bowness-on-Windermere.

Sir Campbell Adamson, CBI *director-general, attends its* North-West Region Council, Manchester.

Mr. Michael Ancram, vice-chairman, Scottish Conservative Party, addresses Hillhead Conservative Association, Glasgow.

Union of Construction, Allied Trades and Technicians' conference ends, Scarborough.

Financial Times two-day conference, Doing Business with Greece, ends, Athens.

COMPANY MEETINGS

Aberthaw and Bristol Channel Portland Cement, Cardiff. 12.30. Bell (Arthur), Perth, 12.15. Burmah Oil, Glasgow, 11.30. Coates Bros., Easton Street, W.C., 2. European Ferries, Chartered Accountants' Hall, E.C., 11. Fairview Estates, Winchester House, E.C., 10.30. Lec Refrigeration, Bognor Regis, 11.30. Matthews Wrightson, 14, St. Mary Axe, E.C., 12. Pearson (S.), Millbank Tower, S.W., 12. Pearson Longman, Millbank Tower, S.W., 11.30. Relyon, Wellington, Somerset, 12. Rowntree Mackintosh, York, 3. Tate of Leeds, Leeds, 3. Watts Blake and Bearne, Moretonhampstead, Devon, 12.

To-day's Events

OPERA

Royal Opera production of Faust, Covent Garden, W.C.2, 7 p.m.

BALLET

Royal Ballet dance Concerto, and Giselle, Sadler's Wells Theatre, E.C.1, 7.30 p.m.

MUSIC

New York Philharmonic Orchestra, conductor and pianist Leonard Bernstein, perform works by Schuman, Ives, Harris, Copeland, and Gershwin, Royal Albert Hall, S.W.7, 7.30 p.m.

SPORT

Cricket: First Test, England v. West Indies, Trent Bridge. Golf: Amateur championships, St. Andrews. Athletics: Kraft Olympic Trials meeting, Crystal Palace.

COMPANY NEWS + COMMENT

Hickson & Welch first half growth

FIRST HALF group turnover of chemical manufacturers, **Hickson and Welch (Holdings)**, increased from £20.99m. to £25.14m., and pre-tax profit advanced from £2.1m. to £3.01m. The figure for the year to September 30, 1975, was £4.65m.

Earnings per 50p share for the six months increased from 14.97p to 22.96p, and the interim dividend is raised from 3p to 3.3p net. Last year's total was 8.4459p.

	1976 £000	1975 £000
Group turnover	25.140	20.991
Operating profit	3.1[illegible]	2.402
Interest payable	259	47[illegible]
Investment income	75	21
Share associates	66	15
Profit before tax	3.010	2.097
Taxation	1.5[illegible]	1.115
Outside holders losses	5	11
Attributable	1.4[illegible]	945
Preference div.	7	3
Ordinary	21[illegible]	194
Retained	1.267	771

* Profits.

● comment

Hickson is 43 per cent. ahead pre-tax. Getting on for a fifth of the upturn springs from the lower interest charge — and an asset disposal has chipped in £50,000—but the main impetus is still coming from trading and the trail blazer here is timber products. Chemicals profits are ahead despite a flat time in herbicides, but timber products has seen volume for the six months jump by 30 per cent, with prices overseas widening usefully. Building materials are slightly down but on static turnover this says a lot for Hickson's management controls. Exports are now running at about 40 per cent. of total sales so the group's "overseas" content is probably topping 60 per cent. For the year, Hickson looks capable of reaching £6m. pre-tax for earnings of 46p a share—against a price of 348p, up 5p yesterday. The prospective yield is 4.1 per cent. and likely to be covered around five times.

HIGHLIGHTS

First-quarter figures from **BP** are well below expectations, reflecting heavy competition in some European markets but there are now some signs of an improvement in loss-making areas. A good second half at **Percy Bilton** has left profits some £¾m. higher thanks mainly to an increase in rental income. Lex also takes a look at the **English Property** document setting out details of the Trizec and Eagle Star deals. Elsewhere, **Hickson and Welch** is some 43 per cent. ahead, thanks to strong volume growth in timber products. Sales volume, however, was lower in **John Bright's** main division and with interest received also lower there was a slight shortfall at the pre-tax level. As expected **Century Oils** staged a second-half recovery, as indeed has **Plysu**.

£0.19m. fall at Century Oils

AFTER BEING behind £274,000 at halfway an improvement in second half profits from £407,000 to £492,000 left **Century Oils Group** £188,000 adrift at £820,000 for the full year to March 31, 1976.

At midway the directors said that indications were that results of the group for the second half should show a significant advance on those of the first.

Earnings for the year are shown to have fallen from 6.98p to 5.04p per 10p share. The dividend is lifted from 1.9469p to 2.1775p with a final payment of 1.8275p net.

The company manufactures lubricants, industrial hygiene products and engine coolants.

	1975-76 £	1974-75 £
Turnover	14,024,841	12,671,505
Trading profit	945,601	1,141,761
Interest	125,201	133,192
Profit before tax	820,400	1,008,569
Tax	417,006	540,798
Net profit	403,400	467,771
Pref. dividends	5,250	5,250
Ord. interim	29,612	21,574
Final	154,601	105,074
Retained	213,937	330,873

● comment

A slight improvement in U.K. demand for lubricating oils brought the forecast second-half recovery at **Century Oils**—turnover was up 14 per cent. against the comparable period and trading profits up by 12.8 per cent. The successive January price hikes of around 10 per cent. helped restore margins by over a point to 7.3 per cent., but the anticipated profits contribution from the refining interests in Scotland was delayed and a small profit is expected this year. Meanwhile, the rights issue money (which helped reduce interest charges) is now being used to expand outlets on the Continent. But immediate prospects depend on how quickly U.K. prices will be able to keep up with the expected rise in mineral oil costs as a result of the fall in sterling. Beyond that, Century will only perform really well when the full industrial recovery gets under way. At 40p (down 1½p) the p/e is 7.6 and yield 8.7 per cent.

Plysu second half recovery

ON A TURNOVER up from £5.68m. to £6.59m., pre-tax profit of **Plysu** decreased marginally from £491,000 to £474,000 in the year to March 31, 1976, after a sharp downturn from £330,000 to £224,000 at halfway.

Earnings per 10p share were 4.3p (4.6p) for the year, and the dividend is stepped up from 1.036p to 1.1261p net with a final of 0.6841p. Dividends have been waived on 781,000 shares.

Benefits of the new product capacity for smaller containers which is now coming into service are being seen and so far during the current year volume sales are higher than ever.

Within the next few months the company will be equipped to make between 30 and 40 per cent. more containers in the 2 to 5 litre category, and if present trends continue the extra capacity will soon be economically utilised.

This should help to make 1976 "a very good year," the directors state.

	1975-76 £000	1974-75 £000
Turnover	6,586	5,684
Depreciation	345	306
Interest charges	62	60
Pension	132	53
Share assoc. losses	4	—
Pre-tax profit	474	491
Taxation	272	237
Retained	188	202

● comment

That **Plysu** has recovered strongly from the after-effects of customers' destocking is seen clearly in the second-half 55 per cent. pre-tax jump on a 43 per cent. rise in turnover. But for the £79,000 increase in pension contribution, reflecting a full-year contribution against only six months previously, the 1975-76 total would have shown an improvement instead of the 3½ per cent. shortfall. Margins also widened to 7.4 per cent. in the second half from the first six months' 6.9 per cent., reflecting the benefits of its factory extension. The current year has started on a buoyant note with particularly strong demand for the smaller containers: capacity for these will be increased two fifths within the next few months. At 38p, the p/e is 8.7 and the yield 4.6 per cent., covered 3.8 times.

J. Bright down in second half

AFTER the increase from £566,997 to £604,682 in the first six months, the **John Bright Group** of spinners, weavers, etc., finished the year to April 3, 1976, with pre-tax profits of £1,180,256 against £1,203,606 in 1974-75.

Stated earnings per 25p share are 11.05p (11.264p) before tax and 5.259p (5.176p) net. A final dividend of 1.25p net makes a total of 2.2p compared with 2.05p previously.

	Year 1975-76 £	1974-75 £
External sales	15,560,850	16,276,564
Depreciation	419,597	392,127
Trading profit	1,159,[illegible]	1,142,474
Interest received	95,559	125,132
Loan stock interest	74,000	64,000
Profit before tax	1,180,256	1,203,606
*Tax	617,227	645,769
Extraordinary credits	6,694	31,874
Retained	40,955	371,126

* Of which £445,295 (£365,124) transferred to deferred tax.

The chairman, Mr. I. M. L. D. Forde, says profit margins were under increasing pressure during the year but the group is continuing its investment into higher added value technical products.

Demand currently remains at a low level but is expected to improve at a later stage in the business cycle. The financial position is strong.

● comment

Lower sales volume in **John Bright's** main division, industrial textiles, has combined with a 24 per cent. reduction in interest received to trim the annual pre-tax level by 2 per cent., after a gain of 6½ per cent at the interim stage. The group's other sections, corded fabrics and spinning, both finished the year fairly strongly after poor starts and are apparently maintaining reasonable levels of activity so far in the current year. However, with the bulk of production going to the capital goods sector, overall volume is likely to remain depressed for some time, at least until the new corded fabric plant comes on stream towards the end of this year. Still at 32p the shares, on a yield of 11 per cent and p/e of 5.8 are probably already discounting nil growth this year and with no short- or medium-term borrowings the group is comfortably placed ahead of the expected upturn for industrial textiles.

Brown Shipley progress

Net trading profits of both the banking and insurance groups of **Brown Shipley Holdings** increased from £1,245,000 to £1,309,000 in the year to March 31, 1976, despite higher overhead expenses including those associated with moving into new premises.

But after a doubtful debt provision of the insurance group, the net profit is virtually unchanged at £1,240,000.

A final dividend of 4.04p lifts the net total from 6.9423p to a maximum permitted 7.54p.

Profit of the banking group was £903,000 (£865,000) after tax and transfer to inner reserves.

	1975-76 £000	1974-75 £000
Banking group profit	903	865
Parent & insur. grp.	412	858
Taxation	403	478
Net profit	601	[illegible]
Net trading profit	1,309	1,245
Doubtful debt provsn.	69	—
Net balance	1,240	1,245
Dividend	414	381
Retained	826	864

* Insurance group, after debt [illegible] £75,000.

● comment

Brown Shipley's 5 per cent. increase in net trading is more or less in line with market expectations, but a doubtful debt provision arising out of business placed in London by a New York broker turned the advance into a small setback at the attributable level, and the shares were marked 5p lower to 145p. Net banking profits, up by 4½ per cent., are struck after removal costs to Founders House, while the decline in the insurance division is at least in part a reflection of the costs of moving two London brokers. A fairly buoyant level of stock market activity last year must have helped banking profits, as must have conditions in the money market until recently. If activity appears to be tailing off this year, involvement in foreign exchange is currently proving profitable, as would any Government measures to increase interest rates. Anyway, one of Brown Shipley's strengths is its conservative accounting policies which enable it to iron out rough years and maintain a growth trend, and it seems unlikely that the pattern will change this year. The yield of 8½ per cent is about half a point above the average.

Freddie Mansfield

Mr. David Steel, chairman of British Petroleum, who yesterday reported a reduction in first quarter profits.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Alida Packaging	3.84(a)	July 23	3.84	5.14	5.18
John Bright	1.25	—	1.1	2.2	2.05
Brown Shipley	4.04	—	3.94	7.54	6.94
Buckley's Brewery	0.7	July 9	0.64	1	0.92
Century Oils	1.83	Aug. 3	1.6	2.18	1.95
Churchbury Ests.	2.32	—	2.15	3.77	3.47
Dartmouth Investments	0.36	July 31	0.43*	0.66	0.6*
Electra Trust	1.6	—	1.35(b)	3.6	2.4(b)
Elsburg Gold ... int.	52cts(c)	Aug. 6	13	—	33.8
Robert Farnworth	Nil	—	Nil	Nil	0.35
Govett European ... int.	1.6	July 9	1.6	1.6	1.6
Hickson & Welch ... int.	3.3	Aug. 31	3.0	—	8.45
Jessups ... int.	0.39	July 9	0.39	—	2.7
Keystone Inv. ... int.	1.35	July 19	1.25	—	4.25
Nthn. Ind. Improvement int.	1.5	July 5	1.5	—	3.8
Oceana Development	0.34	July 16	Nil	0.34	Nil
Plysu	0.68	July 23	0.63	1.13	1.04
Randfontein	100cts(c)	Aug. 6	—	—	—
Sentrust	18cts(c)	Aug. 20	18	30	30
Sungei Bahru Rubber int.	0.33	July 16	0.19	—	0.39
"Times" Veneer	0.17	—	0.15*	0.34	0.32*
U.S. Debenture ... int.	0.7	Aug. 2	0.7	—	2.66
Western Areas ... int.	5cts(c)	Aug. 6	20	—	52
B. S. & W. Whiteley	Nil	—	2.24	0.5	2.74
Young Brewery	1.39	—	1.38	2.59	2.38

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Corrected. (b) adjusted. (c) South African currency.

Boost for EPC cash flow

English Property Corporation states that cash flow will improve by £5.2m. a year as a result of its sale of £55.5m. worth of properties to Eagle Star and its merging of part of its interest in the Canadian subsidiary, **Trizec Corporation**. Net revenue before tax and minorities will be £4.7m higher and after minorities £2.6m. higher.

These forecasts are contained in a shareholders' letter giving details of the two deals. Mr. David Llewellyn, chief executive, says that medium-term debt in sterling and currency will be reduced substantially and short-term debt virtually eliminated.

The borrowing ratio of the group, deconsolidating the Canadian interests, is reduced from 64.4 per cent. to 54.9 per cent. as a result of the two deals.

Net cash proceeds of the Eagle Star sale, which includes redemption of £20m. nominal of first mortgage debenture stocks not later than December this year, will be £36.5m.—£13.5m. of this will be used for prepayment at a discount of long term debt with a principal amount of £17.1m.

Book value of the properties sold was £62.5m. But the value attributed by directors in the valuation in March this year for the 1975 anual report was £51.8m., says the letter. The annual report stated that the total of book values of completed investment properties was fairly stated.

The completion of the Eagle Star transaction leaves an investment portfolio of £140m. in the U.K. and Ireland, producing annual net rental income of £6.7m. Reversions are now estimated to raise this to £10.5m. by the end of 1977 and £12.5m. by the end of 1978.

By the end of 1979 the book value of the British and Irish portfolio, based on present book values plus projected costs, will be £206m. producing, at present rental values, annual net rental of £15.2m., writes Mr. Llewellyn.

Details of the Canadian deal, whereby EPC's 66.5 per cent. holding in Trizec is reduced to a 29.2 per cent. direct holding and 25.7 per cent. through a joint company with the Bronfman interests, show that the C$52.2m. which EPC will receive will be used to repay currency borrowings and for general working capital requirements, including any further subscriptions to the capital of the new joint company necessary to maintain its control of Trizec.

Barclays Intnl. mid-way growth

GROUP PROFIT, before tax, of **Barclays Bank International** increased from £31.53m. to £41.71m. in the half year to March 31, 1976.

The profit is struck before extraordinary credits of £8.27m., against £0.54m.

Most of the increase in profit came from genuine growth in the business, but some is attributable to the decline in the rate of sterling as at March 31, 1976, against other major currencies, says the chairman, Mr. A. F. Tuke.

In view of the unsettled state of exchange markets and international economic conditions generally any forecast for the second half of the year would be hazardous. Indiations are, however, that the results should not be materially different from those the of first half, he adds. For the year to September 30, 1975, profit was £72.36m.

	Half year 1975-76 £000	1974-75 £000
Operating profit	41,527	31,029
Loan cap. interest	2,700	1,360
Share associates	2,886	1,863
Profit before tax	41,713	31,525
Taxation*	19,855	15,436
Outside holders	8,269	2,848
Net balance	13,589	13,241
Extraord. credits†	8,832	539
Attributable	22,421	13,780
Dividend	600	536
Retained	21,821	13,244

* Comprises (£000s omitted) U.K. corporation £7,696 (£6,239). Less relief for overseas tax £6,450 (£5,632), overseas tax £17,885 (£14,191), associates £724 (£609). † Comprise (£000s omitted) profit on exchange rates £12,396 (£869 losses), surplus on disposal of trade investments £284 (£250), loss on changes in group structure £732 (£1,496 profit), tax £1,201 (£437), outside holders £4.395 (loss £69).

The profit on realignment of exchange rates arises from the revaluation at March 31, 1976, of the net assets of subsidiaries and associated companies held on October 1, 1975 less losses on foreign currency borrowings raised for the purpose of acquisition and expansion. All other exchange profits and losses which arise from normal trading activities have been dealt with in arriving at the operating progt, it is stated.

Cash and short-term funds are shown at £2,204m., and advances, etc., at £6,056m. Current, deposits and other accounts amounted to £8,683m.

The bank is a wholly owned subsidiary of Barclays Bank but has its own quoted unsecured loan capital. At March 31, the loan capital outstanding in the group was equivalent to £66 being £13m. unsecured sterl. loan stock and US$101m. (£53 unsecured capital notes bonds. Last April the bank iss a further US$50m. capital no and US$25m. capital bonds bri ing the total group loan cap to £105m. (at rates of exchai ruling on March 31, 1976).

Statement, Page 29

Young Brewery well ahead

FOLLOWING the increase f £489,520 to £593,377 in the half, profits before tax of Yo and Co.'s Brewery rose shar from £758,245 to £1.14m., for year ended March 31, 1976.

Stated earnings per 50p have risen from 7.84p to 8.53p; a net final dividend of 1.39 makes a maximum permi total of 2.5866p compared 2.38131p previously.

Turnover increased fr £9.67m. to £12.82m. After tax £596,804 (£380,742), net pr were £544,666 against £377 There were also gains on sale properties less tax £48,000 (nil

● comment

Young's draught beer vol sales rose 23 pr cent. last y and, although bottled beer s fell about 8 per cent. and wines and spirits division depressed, pre-tax profits were by more than a half. The brew is continuing to work hard keep up with demand for drat beer but the current year will the benefit of £700,000-worth new capacity coming on stre So, further steady growth is prospect this year backed b stronger cash position, with overdraft down by more tha quarter to £400,000. The share 95p have a p/e of nearly 11 a yield of 4¼ per cent., covered times.

Reports to meetings

The following extracts are taken from chairmen's reports to their annual meetings held yesterday.

In an optimistic statement to shareholders of **Bowthorpe**, Mr. Jack Bowthorpe, stated that profits for the first four months were at a much higher level than in the similar period last year and that if this continued the "results for the full year 1976 would be appreciably increased over the last year."

Mr. I. Fletcher of GLYNWED said management accounts for the first four months showed profits before tax were 16 per cent. up on the corresponding period last year. And the present view was that the improvement should be at least maintained.

Pentos shareholders were told by Mr. T. A. Maher that "the future prospects for your company are good and improving." Future pattern of earnings would show a significantly higher proportion of total earnings in the second half of each year, due to the full integration of Marshall Morgan and Scott.

Manufacturing activities had continued their gradual recovery from recession but the improvement was more marked in engineering than in building and construction. Manufacturing orders were 30 per cent. higher overall in the first five months of this year and export orders were more than doubled, Mr. Maher added.

On the construction side, the U.K. outlook was still uncertain but the chairman told shareholder of two building contracts recently obtained in Saudi Arabia at a value of over £230,000.

The first four months Hestair had produced a 40 cent. rise in profits, reported David Hargreaves.

He explained that the posi was much as expected with export-orientated enginee companies leading the way: the home-based companies Mulders (Holland) only ginally ahead of last year, gives the right pointer to fu group policy."

With half the trading year pleted Matthew Hall believed the results for 1976 would better than those for the prev year, said Sir Rupert Speir.

ISSUE NEWS

WM. BOULTON

The 705,004 shares in Wil Boulton (Holdings) not taken in its recent rights issue v sold through the market at average price of 16.25p per sh After deduction of the subsc tion price and the expenses disposal the net amount avail for distribution to non-accep shareholders is 3.15p per shar

BODDINGTONS' 95%

Boddingtons' Breweries rig issue to raise £950,000 on basis of one-for-ten at 70p share has been taken up as to per cent. of the issue. balance has been sold and the premium will be distributed entitled shareholders except no payment will be made for than £1.

RESULTS AND ACCOUNTS IN BRIEF

COSALT (fishing equipment, stores and financial)—Results for year to December 28, 1975 reported April [illegible]. Group fixed assets [illegible]. Net current assets [illegible]. Chairman says that prospects for the current year are good and that pre-tax profit should be much higher than that for 1975. Meeting, Grimsby on June 21 at noon.

DIXOR [illegible]—Results for the 15 months to January [illegible], reported April [illegible]. [illegible] Meeting [illegible] Street, Epsom, on June [illegible].

EAST SURREY WATER COMPANY—Results for year ended March 27, 1976 already known. Fixed assets [illegible]. Current assets [illegible] and liabilities [illegible]. Auditors say they cannot form opinion as to adequacy of balance of [illegible] and contingency fund or of amount transferred to it. Surplus of [illegible] on sale of land has been credited to [illegible] and not as extraordinary item in revenue account as required by standard accounting practice. Meeting, Redhill, Surrey June 25 at 10.30 a.m.

INDUSTRIAL AND GENERAL TRUST—Results year to March 31, 1976, and net asset value, reported May [illegible]. Investments valued [illegible]. Capital reserve [illegible]. Proposed to reduce disparity between interim and final dividend [illegible] interim to 0.5p per share. Meeting, Winchester House, E.C., June 17 at 12.45 p.m.

INTER-CITY INVESTMENT GROUP—Results 1975 and [illegible] already known. [illegible] Meeting, [illegible] June 25 at [illegible] a.m.

LONDON AND LENNOX INVESTMENT TRUST—Results for the year to March 31, 1976 reported May 25. [illegible] Meeting [illegible] E.C., on June 23 at 11.30 a.m.

METROPOLITAN TRUST COMPANY—subsidiary of Guardian Royal Exchange Assurance—[illegible] six months to March 31, 1976 [illegible]. Interim dividend [illegible]. [illegible]

MOTHERCARE—Results for the year to March 27, 1976 reported May 5. Group fixed assets [illegible]. Current assets [illegible]. Current liabilities [illegible]. Meeting, Winchester House, [illegible] June 28 at 11 a.m.

NEWMANS TUBES—Results for year ended January 31, 1976 reported March [illegible]. Group fixed assets [illegible]. Net current assets [illegible]. Chairman says that he is confident that with an improving order book and continued cost control the company will be able to maintain the profitability that is necessary for the continuation of its expansion and development programme. Meeting [illegible] on June 25 at 12.30 p.m.

NORTH BRITISH STEEL GROUP—Results for the 28 weeks ended April 10, 1976, already reported. On prospects for the full year the chairman says that the order book is still low. Recent successes in obtaining orders have been encouraging but it is too early to be confident that the trade recession is ending. He is optimistic that the company will obtain a fair share of the market for steel castings and if despatches can be maintained at their present level profits for the full year will be in excess of last year's. [illegible]

OCEANA DEVELOPMENT INVESTMENT—Dividend for year to March 31, 1976 [illegible]. Gross revenue [illegible]. Net revenue [illegible]. Earnings per share [illegible]. Net asset value [illegible].

SIMONSIDE INVESTMENT COMPANY—Results for the 15 months to March 31, 1976 already reported. Investments [illegible]. Net current assets [illegible]. Meeting, [illegible] E.C., June 30 at 12.30 p.m.

SPENCER, TURNER AND BOLDERO (textiles, tools, etc.)—Results year ended January 19, 1976 already known. Fixed assets [illegible]; net current assets [illegible]. At year end net borrowings decreased by [illegible]. Turnover so far in current year low [illegible] but main trading period in second half. Meeting, Abercorn Rooms, E.C., June 28 at 10 a.m.

SPHERE INVESTMENT TRUST—Results for the year to March 31, 1976 already known. Investments quoted in the U.K. at market value [illegible], quoted abroad [illegible], unquoted [illegible]. Meeting, Manchester House, E.C., on June 24 at noon.

TRONOH MINES—Results 1975 already known. Group fixed assets [illegible]. Current assets [illegible]. Charter Consolidated holds [illegible] per cent. of the issued share capital and Straits Trading Company [illegible] per cent. Meeting, 7 Bond Buildings [illegible] June 24, noon.

C. AND W. WALKER—Results for the year ended January 31, 1976 already reported. Group fixed assets [illegible]. Current assets [illegible]. Current liabilities [illegible]. Chairman [illegible]

WEST RIDING WORSTED AND WOOLLEN MILLS [illegible]

H. WOODWARD AND SON [illegible] Meeting, Liverpool, on June 17, at 2 p.m.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	—	£26¼	£21½	Berry Pacific Fd. US$1	£25	+½	40c	—	0.8	—
$8,500	F.P.	—	$10,500	$8,500	Brasilvest S.A.	$8,500	......	—	—	—	—
—	F.P.	—	£24½	£23	Hambart Corp. US$1	£24½	−¾	$1.20	—	4.9	—
—	F.P.	—	£27½	£14½	IC. Inds.	£16¼	−⅛	$1.40	—	3.1	—
47	F.P.	9/7	45	41	Wilson Walton 10p	41	......	b3.18	2.1	11.9	6.1

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
99	£20	26/8	9⅞	7½	Birmingham (City of) 12% Red. Stock 1985	8	−½
‡115p	F.P.	18/6	126	114	Bowring (C.T.) 10% Conv. 1987	118	+4
£98¼	F.P.	4/6	100	99	Chester Water 8% Red. Pref. 1981	99	−½
£99	F.P.	11/6	100¼	98½	East Worcs. Water 8% Red. Pref. 1981	98½	−½
$100	F.P.	—	99¼	95½	IAC 9½% Notes 1981	$98	......
$100	Nil	—	$99¼	$99	Lloyds Eurofinance Guar. Fl'ting N'tes 1985	$99	......
£98¼	£10	23/7	11¼	10	Newcastle & Gateshead 8% Red. Pref. 1981	10	−½
$$100	Nil	—	101	100	Royal Bank of Scotland Floating Rate 1983	$101	......
$$100	F.P.	—	100½	99½	Sandvik 9½% Bonds 1986	$99½	......
£95¾	F.P.	25/6	£95½	£94½	Scottish Agric. Secs. 14% Deb. 1993	£94½	......
[illegible]	[illegible]	2/7	70	60	Scot. Met. 8% Conv. '92	62	......
£99	F.P.	14/6	98	98¼	Sutton Dist. Water 8% Prf. 1981	99	−½

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Dates		1976 High	1976 Low	Stock	Closing Price p	+ or −
550	F.P.	4/6	17/6	478	463	Aust. & N.Z. Bank	478	+4
250	F.P.	28/5	25/6	298	277	Bank of Ireland	280	+3
$14	Nil	—	—	16	15	Bank of Montreal	15⅛pm	......
58	Nil	—	—	9	6	Bejam Group	6pm	−1
70	F.P.	1/6	9/7	103	93	Boddingtons	98	−2
55	Nil	—	—	5	1	Booth (Intl.)	1pm	−1
16	F.P.	28/5	11/6	17¾	16	Bouton Wm.	16½	+½
66	F.P.	18/5	15/6	85	65	Bowring (C. T.)	71	+6
20	F.P.	19/5	9/6	95	77	Brent Chemicals	88	......
14	Nil	16/6	30/7	1¾	½	Coalite & Chemical	1¼pm	+¾
50	F.P.	19/5	9/6	70	53	Elliott (B.)	60	+1
36	F.P.	7/5	18/6	60	41	Eva Inds.	41	......
65	F.P.	17/5	11/6	76	65	Garner Scotblair	65	......
85	F.P.	21/5	18/6	111½	101	Glynwed	102	+1
105	F.P.	14/5	11/6	151	131	Greene King	143	−1
305	F.P.	27/5	2/7	429	390	Heath (C.E.)	405	+15
330	Nil	10/6	2/7	49	23	I.C.I.	24pm	+1
47½	F.P.	—	—	65½	57	Lesney Products	57	......
57	F.P.	3/5	20/7	71½	62	Lloyd (F.H.)	62	......
188	F.P.	28/5	9/7	216	188	Lucas Inds.	198	+4
105	F.P.	5/6	9/6	116	88	Lyons (J.) 'A'	88	−1
35	Nil	11/6	2/7	3½	½	Mallinson (Wm.) & Denny Mott	1pm	+¾
120	Nil	11/6	9/7	29	14	Portals	16pm	+1
21	Nil	—	—	2½	1¼	Press (William)	2½pm	+1
47	Nil	10/6	23/7	11½	2½	Ransome, Hoffman, Pollard	4pm	+1½
400	F.P.	21/5	25/6	492	445	Selection Trust	445	−5
32	Nil	16/6	23/7	3	½	Tootal	1¼pm	+¾
45	F.P.	28/5	29/6	56	44	Tricentrol	47	+2
87½	F.P.	25/4	6/6	91½	87	Trust Houses Forte	81	+1½
130	F.P.	15/5	11/6	166	133	Turner & Newall	137	+4
$A1.20	Nil	18/6	—	64	58	Western Mining	51pm	−8
70c	P.Pd.	—	—	61	53	Woodside-Burmah	55	−2

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. M Figures based on prospectus or other official estimate for 1976. τ Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ❋ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. $ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants.

Record £5.02m. from Percy Bilton

IN LINE with expectations of a favourable second half, pre-tax profit of Percy Bilton, property development, investment and civil engineering group, advanced from £4.25m. to a record £5.02m. in 1975, after £2.32m., against £2m. for the first half.

And chairman, Mr. Percy Bilton, says results for the first four months of 1976 are "satisfactorily in line with the Board's target for the year."

The order book is larger for 1976 than for any previous year in the group's history. And in spite of the uncertain economic outlook, enquiries for industrial warehousing accommodation have shown "promising signs" of a returning confidence by industrialists, the chairman adds.

Earnings increased from 8.0p to 9.2p per 25p Ordinary share for the year. A maximum permitted total dividend of 4.021875p (3.76875p) net has been paid.

In spite of public expenditure cuts, the curtailment of private property development and the general recession Mr. Bilton continues to look to further progress. He believes the group benefits from investment in "secure and inflation proof" property—the group's holdings are in industrial, the most secure type of property.

High rent and occupancy levels in industrial areas, particularly the South East, will also be of benefit he adds.

Other advantages are the group's continuing development programme of about 8m. square feet of industrial accommodation; its increasing liquidity and its cash flow advantage owing to the "carefully balanced" mix of group activities.

Stock appreciation relief has this year been dealt with directly, in the tax equalisation and deferment account, and not passed through the profit and loss account. The 1974 figures have been adjusted accordingly, it is stated.

The group continued to create new developments to retain in the investment portfolio resulting in the gross rental of the group and its associated companies increasing from £3.09m. to £3.63m. In areas where most of the group properties are situated industrial rents have been maintained satisfactorily with the result that the cash received target has been exceeded.

Mr. Bilton says that increased rents of about £0.5m. are anticipated in 1976, an additional £1m. in 1977 and a further £0.6m. in 1978. This excludes any additional developments or acquisitions during that period.

Net profit was derived about 61 (59) per cent. from property investment, 25 (28) per cent. from industrial and residential development and 14 (13) per cent. from contracting and other activities.

Referring to the policy of not charging to capital reserves development costs Mr. Bilton argues that such capitalisation is wrong while projects are still in progress. Had this "unrealistic" approach been adopted gross profit available for distribution would be higher by about £750,000.

Comparisons with other companies are only valid if similar conservative accounting policies are adopted, he says.

The company is also in an advantageous tax position compared with most other similar companies, the chairman believes.

	1975 £000	1974 £000
Turnover	26,493	24,991
Profit before tax	**5,022**	**4,248**
Net profit	2,181	2,697
Tax charged	1,841	1,551
Attributable	2,179	2,095
Accumulative dividend	17	30
Ordinary	537	718

At May 3, Glenhazel Investment Trust was interested in 37 per cent. of the equity.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Finals: British Dredging, Brownlee, Corinthian Holdings, Culter Guard Bridge, Dominion and General Trust, Gough Bros., Inch Kenneth Kajang Rubber, Minster Assets, Moss Bros.

FUTURE DATES

Interims:—

Allied Breweries	June 22
Bluemel Bros.	June 15
Charterhouse Group	June 8
Ward (T. W.)	June 11
Watson and Philip	July 8

Finals:—

BPB Industries	June 30
British Cinematograph Theatres	June 11
Chubb and Son	June 16
Dawson International	June 21
Hunting Gibson	June 8
M. and G. Second Dual Trust	June 8
Streeters	June 15
Trefus	June 9

Melville Dundas well placed

Building and civil engineering contractors, Melville, Dundas and Whitson is well placed to take advantage of any upturn in the economy, reports chairman Mr. H. A. Whitson.

He says that the immediate future for the building industry cannot be described as bright but there are encouraging signs of increased investment by both nationalised and private sectors of industry.

As reported on April 16, pre-tax profit for 1975 expanded from £0.88m. to £1.15m. and the dividend is stepped up from 3.057p to 3.325p net.

With regard to M.D.W. Developments, Mr. Whitson points out that this company had another successful year of growth and activity. Progress, though not spectacular, is soundly based and as more rent reviews become due in the years immediately ahead, income should steadily increase, provided that no arbitrary restrictions are imposed by the Government.

The directors are confident that the contribution to group profits from James Y. Keanie will continue to increase, says the chairman.

Dartmouth hits peak £0.29m.

Heating engineers Dartmouth Investments reports pre-tax profits up by 18.74 per cent. from £240,090 to a record £285,092 for the year to March 31, 1976, after a rise from £23,500 to £41,000 at halfway.

Earnings are shown to be up from 1.65p to 1.69p per 5p share and, as forecast the dividend total is the maximum permitted 0.6369p net with a final of 0.3569p.

At March 31 total net borrowings amounted to £283,545 (£333,508) which was 20.93 per cent. (28.53 per cent.) of the total funds employed at that date.

The chairman, Mr. D. C. Hathaway, says that current trading is running at the budgeted level required for a further increase in profits this year.

Profits should also be assisted by a further reduction in borrowings, unless other businesses are acquired, and the continuation of the reorganisation and rationalisation programme started two years ago and due for completion by September 30, 1976.

	1976 £	1975 £
Turnover	3,558,448	3,269,452
Trading profit	347,114	327,698
Interest	62,022	87,608
Profit before tax	**285,092**	**240,090**
Tax	148,482	121,877
Net profit	136,610	118,213
Extraord. credits	7,261	25,755
Interim dividend	24,205	17,519
Proposed final	28,806	25,070
To reserves	90,869	47,571

Guyana sugar marketing

Regarding the international marketing of Guyana's sugar Booker McConnell announces that a new Guyana sugar corporation has been formed by the government to control and manage all estates and factories in Guyana.

The Guyana Sugar Corporation has concluded an agreement with Bookers Sugar whereby the latter will be responsible for international marketing of Guyana's sugar for an initial period of four years in accordance with agreed Guyana government policies.

Mr. Alan Forster continues to be the director of Bookers Sugar responsible for the international marketing of Guyana's sugar under this agreement.

BRITISH BURMAH PETROLEUM

The Stock Exchange listing in British Burmah Petroleum, a Bombay-based company holding investments in Indian companies, has been cancelled at the company's request. The company is incorporated in England.

BP first quarter downturn

FIRST-QUARTER 1976 net income of the British Petroleum Company was halved at £20.2m., but compared with £27.6m. for the fourth quarter of 1975. Net income for the year 1975 was £166.2m.

Pre-tax income for the three months was down from £488.1m. to £371.9m.

Compared with the first quarter of 1975, total sales decreased by 1.3m. tonnes to 43.4m. tonnes, a reduction of 2.9 per cent. Within the total, sales of crude oil were down by 14.8 per cent. to 19.5m. tonnes while sales of products and chemicals improved by 9.6 per cent. to 23.9m. tonnes, reflecting the beginnings of general economic recovery.

Natural gas sales were 10.5 (11) millions of cubic metres per day.

Although the decline in crude sales tonnage contributed to the reduction in net income, a more serious factor was losses incurred on product trade in many areas of Europe. These losses were aggravated in sterling terms as a result of the fall in the value of the pound. However, there are now signs of improvement in recoveries from the market in some countries, the directors state.

Additionally, the weakness of sterling against the dollar had an unfavourable effect on results in the U.K. The dollar costs of crude oil from the Middle East and Nigeria increased in sterling terms, but so far without recovery from increased U.K. market prices.

Net income for the period per £1 Ordinary unit was 5.2p (10.9p).

	First quarter 1976 £m.	First quarter 1975 £m.	Year 1975 £m.
Sales proceeds	2,795.5	2,216.2	9,536.7
Customs duties etc.	457.9	374.7	1,755.3
Net proceeds	2,337.6	1,841.5	7,781.4
Other income	40.7	44.2	178.1
Balance	2,378.3	1,885.7	7,959.5
Cost of oil etc.	1,724.9	1,164.5	5,420.2
Distribution etc.	196.5	166.3	719.4
Depreciation etc.	49.2	40.6	193.5
Interest	35.8	26.0	103.1
Income before tax	**371.9**	**488.1**	**1,523.3**
Overseas tax	341.8	437.4	1,323.2
U.K. tax	8.0	7.0	31.1
Minority holders	1.9	1.5	4.1
Extraord. debits	—	—	21.3
Net income	**20.2**	**42.2**	**166.2**

See Lex

Electra Trust revenue expansion

Gross revenue of Electra Investment Trust increased from £2,800,119 to £3,763,198 in the year to March 31, 1976.

Group earnings attributable to the holding company were £1,926,560 (£1,506,237), after tax of £1,280,794 (£996,863). Earnings per 25p share were 3.990p (3.138p), and net asset value per share 119.25p (93.25p adjusted).

A final dividend of 1.6p net (1.25p adjusted) makes a total of 3.6p net (2.4p adjusted).

Downs Surgical

THE CHAIRMAN of Downs Surgical, Mr. J. W. Northwood, remains confident that the group will make significant progress which will show through in future results.

Sales in the home market are continuing at a satisfactory level members are told, but the outlook for the immediate future remains uncertain particularly in the face of increasing pressure on the Government to reduce expenditure.

The devaluation of the pound and increased production is expected to assist efforts to boost export sales. The group is intensifying marketing activity throughout the world and sales for the first four months of 1976 show a further advance on last year.

The main area for growth lies in the development of export markets where the potential is currently much greater but where there is considerable competition. Export markets in the developing countries offer the greatest opportunities for future expansion, says Mr. Northwood, and these are the areas where it is intended to increase marketing efforts.

As reported on April 20, pre-tax profits rose from £0.84m. to £1.02m. in 1975. The dividend is 2.177p (2p) net.

Meeting, Connaught Rooms, WC, on June 29 at 2.30 p.m.

The Times Veneer decrease

Sales of "The Times" Veneer Company increased from £2.71m. to £3.05m., in 1975, but pre-tax profit decreased from £138,604 to £114,587, after £63,763, against £91,323, at midway.

Tax for the year takes £46,799 (£73,232) and £76,380 (nil) is written off goodwill arising on acquisition of R. J. C. (Coffins), leaving a loss of £8,592 (profit £65,373).

Earnings per 5p share, before the extraordinary item, were 0.96p (0.93p adjusted). A final dividend of 0.172p net effectively raises the total from 0.321p to 0.342p.

The joint managing directors and members of their families have waived their entitlement to net dividends totalling £5,348 (£5,284).

Churchbury earns and pays more

From rents, less outgoings and other income, of £384,848 against £287,751 Churchbury Estates achieved an increase in taxable profits from £97,916 to a record £180,698 for the year to March 31, 1976, after a downturn from £73,169 to £68,041 at halfway.

At midway the directors predicted an improvement in net profit for the full year, which in the event turned out to be from £65,034 to £91,415 after tax of £93,883 (£53,582).

The final dividend payment per 25p share is 2.318p net for a3.768p (3.465p) total.

Reconstruction causes £0.4m. loss at EIH

ON REDUCED turnover of £3.59m. compared with £8.63m., Edinburgh Industrial Holdings incurred a pre-tax loss of £400,000 in the year to November 1, 1975, compared with a loss of £33,000 in 1973-74.

After a tax credit of £88,000 (nil), extraordinary losses on disposal of shares in subsidiaries of £195,000 (£360,000), and minorities of £30,000 (loss £8,000), the attributable loss is £477,000 (loss £401,000). Again there is no dividend.

The loss was struck after the payment of £20,000 as compensation for loss of office.

The chairman, Mr. J. G. Bizley, says in his annual statement that it became necessary to reconstruct the group activities and this is the main reason for the loss.

Total group borrowings have been reduced by £1,002,000 during the period and will be reduced by a further £190,000 when the sale of moulding machines has been completed.

On May 14, 1976, the group had outstanding secured loans of £160,326, secured bank indebtedness amounting to £1,288,716, and hire purchase commitments of £60,513.

The remaining companies have a capacity to earn a satisfactory level of profits and, with the very substantial tax losses available, to bring about a significant improvement in the financial position of the group, members are told.

While finding it extremely difficult to make a forecast for the future, Mr. Bizley believes the favourable start to the current year is capable of being maintained.

Meeting Connaught Rooms, WC, on June 24 at noon.

STENHOUSE

The interim statement of Stenhouse Holdings reported on May 26 covered the half-year ended March 31, 1976, and not October 30, 1975.

The wrong date was also given in the Week's Company News Summary last Saturday.

APPOINTMENTS

Managing Director

for the Board of a British insurance group in London.

• ACCOMPLISHMENT in directing the affairs of an insurance company or in international broking is the overriding requirement.

• TERMS are for discussion – the salary indicator is in excess of £20,000.

Write in complete confidence
to G. W. Elms as adviser to the group.

TYZACK & PARTNERS LTD
10 HALLAM STREET LONDON W1N 6DJ
and
12 CHARLOTTE SQUARE EDINBURGH EH2 4DN

Managing Director

for a textile company with sales of around £3m, a substantial proportion of which are exports. The business is backed by the resources of a publicly owned group.

• THE task is to expand the volume and profits of this manufacturing enterprise, with an emphasis on marketing professionalism.

• PROVEN ability to manage a business serving seasonal and fashion conscious markets is the requirement.

• AGE under 50. Base salary unlikely to be less than £10,000 plus a profit related incentive.

Write in complete confidence
to A. Longland as adviser to the company.

TYZACK & PARTNERS LTD
10 HALLAM STREET LONDON W1N 6DJ
and
12 CHARLOTTE SQUARE EDINBURGH EH2 4DN

Director Group Pensions

• RETIREMENT will create the need for a successor in a large international company which has in the UK 10,000 employees, 4,000 pensioners and pension funds of around £40 million.

• OVERSEAS the company operates in thirty or more countries. The Director is a Trustee of the four main UK pension funds and responsible to the Main Board Finance Director. The Director is looked upon to advise all companies in the Group both in the UK and overseas on pension benefits and administration. Outside advisers are presently employed in the actuarial, property and investment management fields. As the funds grow, there is the possibility of in-house management of the investments.

• THE need is for depth experience of pension fund management and legislation gained in a significant industrial company. A degree or professional qualification is preferred.

• REMUNERATION is negotiable in five figures. Age under 50. Location Surrey.

Write in complete confidence
to P. T. Prentice as adviser to the company.

TYZACK & PARTNERS LTD
10 HALLAM STREET LONDON W1N 6DJ
and
12 CHARLOTTE SQUARE EDINBURGH EH2 4DN

SAVAGE & HEATH COMPANY LIMITED

have vacancies in their London office for foreign exchange brokers with 3-4 years experience.

Applications must be made in writing, and addressed to:

The Company Secretary
SAVAGE & HEATH COMPANY LIMITED
Lee House, London Wall, London EC2Y 5AU

QUALIFIED AND PART QUALIFIED

Our client, one of the largest retail consumer groups, is seeking the following: PROJECT ACCOUNTANT to £7,000 plus car, fully qualified ACA/ACCA. PART QUALIFIED ACCA, 22 plus to £3,750, details available on application. These are first class career openings within a progressive company. For further information contact Mr. Purtell, 01-353 9183. CLA Management. All applications treated with strictest confidence.

COMMODITY Executives wanted. Charterhouse Appointments. 01-636 2377.

Property Management

LONDON c. £12,000 + CAR

Our Client, a very large group of companies, is seeking an experienced Chartered Surveyor to head up their property department. He will be responsible for the provision of professional property services ensuring that appropriate accommodation is provided to operating divisions on a cost-effective basis and that the return from the group's realisable property interests is maximised.

Applicants must have a proven record of success in the management of property for a large group.

REWARDS: Salary negotiable c. £12,000 with car provided and excellent conditions of employment.

Apply in confidence, Ref. 478/291.

Hales & Hindmarsh Associates Ltd
Century House, 30 31 Jewry Street,
Winchester, Hants.
Winchester 66696 or 66699. London 01-836 8918.

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—Erfahrungen in leitender Stellung
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—gewandter, kontaktfreudiger Gesprächspartner
—perfekte deutsche und englische, gute französische Sprachkenntnisse.

Bewerbungen mit den üblichen Unterlagen bitte unter Box F.433, Financial Times, 10, Cannon Street, EC4P 4BY.

LEGAL NOTICES

No. 001732 of 1976
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of J. & H. TRANSPORT GROUP LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 20th day of May 1976 presented to the said Court by LAMBERT BROTHERS (HAULAGE) LIMITED whose registered office is situate at Woodside Road, Eastleigh, Hampshire, a limited company carrying on the business of haulage and warehousing, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 21st day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
TURNER PEACOCK
1 Raymond Buildings,
Gray's Inn
London WC1R 5BL,
London Agents for
MOORE & BLATCH
8 The Parade, Chandler's Ford,
Hampshire, SO5 3DR
Solicitors for the Petitioner.
NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to the above-named notice in writing of his intention so to do. The notice must state the name and address of the person or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 18th day of June 1976.

No. 001625 of 1976
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of INTER-COUNTY ESTATES LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 13th day of May 1976, presented to the said Court by BANK OF SCOTLAND, a Company constituted by Act of Parliament and having its principal place of business in England at P.O. Box 267 at 30, Bishopsgate, London EC2P 2EH, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 21st day of June 1976 and any creditor or contributory of said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
COWARD CHANCE,
Royex House,
Aldermanbury Square,
London, EC2V 7LD.
Solicitors for the Petitioner.
NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to the above-named notice in writing of his intention so to do. The notice must state the name and address of the person or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 18th day of June 1976.

No. 001582 of 1976
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ARUNTA INTERNATIONAL COMPANY LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 27th day of May 1976, presented to the said Court by SHEPHERD & WARLOW AND INDUSTRIAL SPARES LIMITED [illegible] Robert C. Smith [illegible] Road North [illegible] and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 28th day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
WILDE SAPTE & CO.,
[illegible]
London [illegible]
Solicitors for the Petitioner.
NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to the above-named notice in writing of his intention so to do. The notice must state the name and address of the person or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 15th day of June 1976.

No. 001784 of 1976
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of SIDNEY JOSEPH NEWSTEAD LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 24th day of May 1976, presented to the said Court by THE MAYOR ALDERMAN AND BURGESSES OF THE LONDON BOROUGH OF WANDSWORTH of the Town Hall, Wandsworth High Street, Wandsworth, SW18 2PU, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on Monday the 28th day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel for that purpose, and a copy of the petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
C. TAPP,
The Town Hall,
Wandsworth High Street,
Wandsworth, SW18 2PU.
Solicitor for the Petitioner.
NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of Friday, 25th June 1976.

No. 001751 of 1976
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of PAGEBAR PROPERTIES LIMITED and in the Matter of the Companies Act 1948.
NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 27th day of May 1976, presented to the said Court by NORTHCROFT NEIGHBOUR & NICHOLSON (a Partnership) whose principal place of business is at Victoria House, Southampton Row, London, WC1B 4EL, Building Cost Consultants and Quantity Surveyors, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 28th day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
BEACHCROFT, HYMAN ISAACS,
1 Chancery Lane,
London WC2A 1SU
(Ref. CAT)
Solicitors for the Petitioners.
NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 25th day of June 1976.

No. 001369 of 1976
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of JAY BEE FASHIONS LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 22nd day of April 1976 presented to the said Court by MANUFACTURE ALSACIENNE DE TISSUS IMPRIMES S.A. whose registered office is situate at 3 bis rue Charles De Gaulle, 68800 Vieux-Thann, France, Fabric Manufacturers, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 21st day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose, and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
CAMPBELL HOOPER &
AUSTIN WRIGHT,
15 Jermyn Street,
London SW1Y 6LT.
(Ref: JC)
Solicitors for the Petitioner.
NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 18th day of June 1976.

CLUBS

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Write full details to Box E.8076, Financial Times, 10, Cannon Street, EC4P 4BY.

COMPANY NOTICES

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED
(Incorporated in the Republic of South Africa)

GOLD MINING COMPANIES DIVIDENDS

The following dividends have been declared payable in the currency of the Republic of South Africa, to members registered in the books of the companies concerned at the close of business on Friday, 25th June, 1976, and in the case of The Randfontein Estates Gold Mining Company, Witwatersrand, Limited, to persons presenting to the London Bearer Reception Office Coupon No. 82 detached from share warrant to bearer in terms of a notice to be issued by the London Secretaries and published in August, 1976.

Name of Company (each of which is incorporated in the Republic of South Africa)	Dividend Number	Per share unit of Stock cents
Elsburg Gold Mining Company Limited	6	5.2
*The Randfontein Estates Gold Mining Company, Witwatersrand Limited	82	100.0
Western Areas Gold Mining Company Limited	22	8.0

The dividends are declared subject to conditions which can be inspected at or obtained from the companies' Johannesburg office or from the office of the London Secretaries (Barnato Brothers Limited of 27 Austin Friars, London EC2N 2EY).

Subject to the said conditions, payment by the London Secretaries will be made in United Kingdom currency at the rate of exchange quoted by the companies bankers on 26th July, 1976, provided that in the event of the companies bankers being unable to quote such a rate of exchange on that day, then the currency of the Republic shall be converted at the rate of exchange quoted by the companies bankers on the next succeeding day on which such a rate is quoted.

Dividend warrants will be posted from either the Johannesburg office or the office of the London Secretaries, as appropriate, on 5th August, 1976.

South African Non-Resident Shareholders' Tax at the rate of 15% and United Kingdom Income Tax will be deducted from the dividends where applicable.

The Share Transfer Books and Registers of Members will be closed from 26th June, 1976, to 2nd July, 1976, both days inclusive.

*The board of The Randfontein Estates Gold Mining Company Witwatersrand, Limited wishes to announce that, although it has not yet committed the company to any uranium supply contract, present indications are that such a supply contract incorporating suitable arrangements for funding the necessary production facilities is likely to be achieved in due course. For this reason the board believes that the company can recommence dividend payments at a modest rate while at the same time providing the necessary funds which, in conjunction with the contractual arrangements referred to above, will enable uranium production and sales to be achieved.

By Order of the Boards.
JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED,
Secretaries
per: D. F. R. BRUMAGE

Head offices and Registered Offices:
Consolidated Building,
Corner of Fox & Harrison Streets,
P.O. Box 590,
JOHANNESBURG, 2000.
3rd June, 1976.

BARLOW RAND LIMITED
(Incorporated in the Republic of South Africa)
7% UNSECURED NOTES 1975/84 ("THE NOTES")
SECOND CAPITAL REDEMPTION

NOTICE IS HEREBY GIVEN that the second capital redemption, being 1/10th of the capital amount of the Notes outstanding at 1 July 1974, will be paid to the holders of the Notes who are registered in the company's register of noteholders at the close of business on 16 June 1976. The registers of noteholders in Johannesburg and the United Kingdom will be closed from 17 to 30 June 1976, both days inclusive.

Capital redemption payments will be made on 30 June 1976 to those noteholders who have surrendered their certificates to the company's registrars for endorsement by that date. Thereafter capital redemption payments will be effected against receipt of certificates lodged for endorsement and the attention of noteholders is drawn to condition 3(d) on the reverse side of the Notes certificate.

The capital redemption payments will be in the currency of the Republic of South Africa, and the rate of exchange at which the payments will be converted into United Kingdom currency for the payments by the United Kingdom Registrars, will be the telegraphic transfer rate of exchange between Johannesburg and the United Kingdom ruling on the first business day after 16 June 1976.

The attention of noteholders who are residents of the United Kingdom (including the Channel Islands and Isle of Man), the Republic of Ireland and Gibraltar is drawn to the special conditions of the United Kingdom Exchange Control Act of 1947 relating to capital payments, details of which will appear on the warrants.

By order of the Board.
W. C. Warriner,
Group Secretary
4 June 1976

REGISTERED OFFICE:
33 de Beer Street,
Braamfontein
Johannesburg 2001
(P.O. Box 4862, Johannesburg 2000)

SOUTH AFRICAN REGISTRARS:
Rand Registrars Limited,
2nd Floor,
Devonshire House,
49 Jorissen Street,
Braamfontein,
Johannesburg, 2001
(P.O. Box 31719, Braamfontein, 2017)
UNITED KINGDOM REGISTRARS:
Lloyds Bank Limited
Registrars' Department,
The Causeway,
Goring-by-Sea,
Worthing,
Sussex BN12 6DA,
England.

UNILEVER N.V.
7% and 6% Preference sub-shares issued by N.V. Nederlandsche Administratie—en Trustkantoor

First half yearly dividends for 1976 of 3.5% (Fl. 0.42) Serial No. 90 and 3% (Fl. 0.36) Serial No. 71 respectively will be paid on and after 1st July, 1976. To obtain these dividends certificates must be listed on listing forms obtainable from one of the following banks. The listing form includes an undertaking to mark the certificates which need not be lodged with the form.
Midland Bank Limited, New Issue Department, Mariner House, Pepys Street, London EC3N 4DA.
Northern Bank Limited, 2 Waring Street, Belfast, BT1 2EE
Allied Irish Banks Limited, Securities Department, 3-4 Foster Place, Dublin, 2
Clydesdale Bank Limited, 30 St. Vincent Place, Glasgow
from which banks fuller details of the dividends may be obtained on and after 30th June 1976.

The Registers of Certificates for these sub-shares will be CLOSED from 11th June, 1976 to 30th June 1976 both dates inclusive.

Exchange of Original Shares for Certificates of sub-shares and vice versa after 11th June 1976 will be on "Ex Dividend" basis.

N. V. NEDERLANDSCHE ADMINISTRATIE—EN TRUSTKANTOOR

London Transfer Office,
Unilever House,
Blackfriars, London,
EC4P 4BQ

7% Preference Dutch Certificates of Fl. 1,000 and Fl. 100

The Dividend will be paid against surrender of Coupon No. 90. Coupons may be encashed through Midland Bank Limited at the above address or through one of the paying agents in the Netherlands. Coupons encashed through Midland Bank Limited (from which fuller details of the dividend may be obtained) must be listed on a special form obtainable from the Bank which contains a declaration that the certificates to which the coupons relate do not belong to a resident of the Netherlands.
3rd June 1976.

SENTRUST LIMITED
(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND

NOTICE IS HEREBY GIVEN that a final dividend No. 20 of 18 cents per share has been declared payable to ordinary shareholders registered in the books of the company at the close of business on 18th June 1976.

No instructions involving a change of the office of payment will be accepted after 18th June 1976.

The REGISTER OF MEMBERS of the company will be CLOSED from 19th June 1976 to 2nd July 1976 both days inclusive.

The dividend is declared in the currency of the Republic of South Africa. Payments from the United Kingdom office will be made in United Kingdom currency at the rate of exchange ruling on 10th August 1976 or on the first day thereafter on which a rate of exchange is obtainable.

Non-resident shareholders' tax of 15% will be deducted from dividends payable to shareholders whose registered addresses are outside the Republic of South Africa.

Payments will be made by the transfer secretaries mentioned below, on or about 20th August 1976.

The full conditions of payment may be inspected at or obtained from the head office or the offices of the transfer secretaries of the company.

By Order of the Board
GENERAL MINING AND FINANCE CORPORATION LIMITED
London Secretaries
per. V. G. W. DAYNES

London Office:
Friars House,
39-41 New Broad Street, EC2M 1NJ.
Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street, Ashford, Kent.
TN24 8EQ.
3rd June 1976.

TRANSVAAL CONSOLIDATED LAND AND EXPLORATION COMPANY LIMITED

(Incorporated in the Republic of South Africa)

PAYMENT OF COUPON NO. 74

With reference to the company's interim report and dividend notice advertised in the Press on 12th May, 1976, the following information is published for the guidance of holders of share warrants to bearer.

The dividend was declared in South African currency and in accordance with the conditions of payment of this dividend payment from the offices of the Secretaries of the company in the United Kingdom will be made in United Kingdom currency at the telegraphic transfer rate of exchange between Johannesburg and London that was ruling on 1st June 1976.

Payment will be made against coupon No. 74 on or after 7th July, 1976 in U.K. currency at the London Bearer Reception Office, Charter Consolidated Limited, 7, Rolls Buildings, Fetter Lane, London EC4A 1HX or in French currency at Crédit Lyonnais, 19 Boulevard des Italiens, 75002 Paris.

Coupons must be left for at least four clear days for examination and may be presented any weekday (Saturdays excepted) between the hours of 10 a.m. and 2 p.m.

Republic of South Africa non-resident shareholders' tax will be deducted at the rate of 15 per cent. United Kingdom income tax will also be deducted from coupons presented for payment at the London Bearer Reception Office unless coupons are accompanied by Inland Revenue declarations. Where such deductions are made the net amount of the dividend will be as follows:—

	S. African Currency Per Share Cents	U.K. Currency Equivalent Per Share Pence
Amount of dividend declared	25	15.037
Less: South African non-resident Shareholders' tax at 15%	3.45	2.255
	19.55	12.781
Less U.K. income tax at 20%		3.007
		9.774

Secretaries of the company in the United Kingdom:
Charter Consolidated Limited,
40, Holborn Viaduct,
London EC1P 1AJ.
3rd June 1976

NOTE The Company has been asked by the Commissioners of Inland Revenue to state, Under the double taxation agreement between the United Kingdom and the Republic of South Africa, the South African non-resident shareholders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 20% instead of at the basic rate of 35% represents an allowance of credit at the rate of 15%.

BRASCAN LIMITED

(Incorporated under the laws of Canada)

NOTICE IS HEREBY GIVEN that the Board of Directors of this Company has declared a quarterly dividend of twenty-five (25) cents per share (in United States funds) on the Company's Class A convertible ordinary shares without nominal or par value, payable on July 30, 1976 to shareholders on record at the close of business on July 1 1976.

The dividend on Class A convertible ordinary shares represented by share warrants to bearer will be paid against surrender of coupon No. 157 at one of the places of payment specified below.

Payment of this dividend to non-residents of Canada will, where applicable, be subject to deduction of Canadian Non-Resident Income Tax.

Notice is also given that the Board of Directors of the Company has declared a quarterly dividend of twenty-one and one-quarter (21¼) cents per share (in United States funds), payable out of tax-paid undistributed surplus on hand on the Company's Class B convertible ordinary shares without nominal or par value, payable July 30, 1976 to shareholders on record at the close of business on July 1, 1976.

Places at which coupons may be lodged for payment:
In Belgium, at Brussels:—
Société Générale de Banque, S.A.
Banque Bruxelles Lambert, S.A.
Banque Nagelmackers Fils et Cie
Banque de Paris et des Pays-Bas Belgique S.A.
Banque Degroof
Kredietbank S.A.
Lloyds Bank International (Belgium) S.A.
In the Federal Republic of Germany, at Frankfurt am Main:—
Deutsche Bank A.G.
In France, at Paris:—
Lloyds Bank International (France) Ltd.
In Luxembourg, at Luxembourg:—
Banque Générale du Luxembourg, S.A.
In the Netherlands, at Amsterdam:—
Amsterdam-Rotterdam Bank, N.V.
In Switzerland, at Geneva:—
Lloyds Bank International Limited
In the United Kingdom, at London:—
Canadian Imperial Bank of Commerce
In Canada, at the Canadian Imperial Bank of Commerce
Main Branch, Commerce Court,
Toronto, Ontario

For the convenience of holders of bearer share warrants arrangements have been made for the payment of coupons in United States currency against surrender thereof, accompanied by completed listing forms, at any of the afore-mentioned places, and subject to regulations in force at each place of payment.

Listing forms and full information as to the procedure to be followed can be obtained in Brussels, from Société Générale de Banque, S.A.; in Frankfurt am Main, Paris, Luxembourg, Amsterdam, Geneva or Toronto from the banks there specified, or in the United Kingdom from the Company's Agents, Baring Brothers and Co., Limited, 88 Leadenhall Street, London EC3A 3DT England, or from the Company in Toronto.

Dated at Toronto, Canada, the 27th day of May, 1976

By Order of the Board
L. A. ALLEN, Secretary.

The Transfer Agents of the Company are National Trust Company Limited, Toronto, Montreal, Vancouver, Calgary, Winnipeg and Halifax, Canada, and The First National City Bank, New York, N.Y., U.S.A., who should be notified promptly of any change of address.

PERSONAL

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PUBLIC NOTICES

CITY OF NORWICH
£800,000 BILLS maturing on 1st September, 1976, were offered and issued on 2nd June, 1976, at a rate of 11$\frac{1}{16}$% p.a.
Total applications for this issue amounted to £3,200,000 and these are the only bills in issue.

BIDS AND DEALS

Two-week extension for Artagen offer

Sun Life Assurance Society has come under Rule 34 of the Take-over Code in its 84p cash bid for Artagen Properties, thus making its bid conditional only on gaining over 50 per cent. of the shares. It will extend the offer for two weeks.

Sun Life has become subject to the Code ruling through its buying of Artagen shares in the market since it raised its offer from 78p to 84p. The 180,000 shares it bought on Wednesday took its purchases within the last year to 2.17 per cent. of Artagen's equity.

Sun Life's advisers, Lazards, said yesterday that it had willingly passed the 2 per cent. mark, at which holders of between 30 per cent. and 50 per cent. of a company equity must make a bid which becomes unconditional at 50 per cent., in order to give the freedom of being able to buy further in the market.

It is thought that it subsequently purchased another 200,000 shares yesterday, bringing its total holding to just under 36 per cent. The deals were at close to the 84p price quoted for the shares.

Acceptances for the offer have been received in respect of 279,474 shares of the 33.77m. total.

NEW INVESTMENT GROUP FORMED

GROUP FORMED

A new investment group with funds under management approaching £18m. is to be formed by the merger of Norton Warburg and N. Bentley Group. The new company will specialise in catering for individuals rather than institutions.

Norton Warburg, is roughly three years old and is headed by Mr. Andrew Warburg. It has specialists covering taxation, pensions, insurance, mortgages, loans and asset management.

N. Bentley Group, headed by Mr. Nicolas Bentley, is more associated with fund management and has a strong overseas base—around 60 per cent. of the £12m. under management comes from non-U.K. residents. It has offices in Jersey, Switzerland and London.

ICH/THERMAL

The formal document containing details of the International Combustion (Holdings) 85p per share cash offer for Thermal Syndicate has been sent out to shareholders. ICH has proceeded with its £4½m. bid despite a breakdown of talks between the two companies last month and the view from the Thermal Board that the offer was "totally inadequate." Thermal closed unchanged yesterday at 84½p, with ICH 1p easier at 73p.

ICH, which has overseas manufacturing subsidiaries in Australia, Africa and India but in the U.K. consists only of cash of £4½m. and a holding in a plant hire company, argues that the offer represents a premium of 60 per cent. over the share price of Thermal on the day before talks were announced. Pro forma figures show that an enlarged grouping would have net tangible assets of £8.65m. and make historic pre-tax profits of £1.4m.

ICH (45 per cent. owned by Combustion Engineering Inc. of the U.S.) states in the document that Thermal would continue under its present name and management.

The full report and accounts for International Combustion were also released yesterday. The chairman states that "as far as the current year is concerned, with the continued success of our associated companies, your directors are of the opinion that a reasonable profit will be earned in 1976 and that it will be possible at least to maintain the present level of dividend distribution."

Carrimore turns down Edbro

The directors of Anthony Carrimore have come out against EDBRO's recent £1m. share offer for the Ordinary shares in the company but say that its 50p a share cash offer for AC's Preference shares is acceptable.

Edbro is offering 9 shares for every 20 shares in Carrimore which, with Edbro closing 1p lower at 118p last night, is worth 51p a share. This compares with a middle market quotation of 31p at the time of Carrimore's share suspension in September 1973.

The directors do not consider that the offer "adequately reflects the company's recovery potential" and add that "it is also unsatisfactory in that it is not accompanied by an alternative cash offer." The board does not intend at present to accept in respect of their own holdings and they advise shareholders to take no action.

Carrimore also says that in spite of a slow start to the year sales and profit are running well ahead of last year but it is too early in the current year to be able to make a profit forecast.

SHARE STAKES

Amalgamated Metal Corporation—Patino NV has purchased a further 15,000 Ordinary shares and is now beneficial owner of 3,247,610 (31.67 per cent.) Ordinary shares.

Alcrafield announces that on April 15, 1976 Mrs. R. Hillman granted an option to the company to acquire from her within nine months of that date up to 2.5m. Ordinary shares in Bank and Commercial Holdings at 1p each, and a further 1m. at 2p each.

Mrs. Hillman has also given to Alcrafield a power of attorney in respect of the exercise of voting rights attaching to her entire holding in Bank and Commercial amounting to some 4.86m. Ordinary shares.

On April 13 Clivest of which Alcrafield is the ultimate parent company acquired 3,428,571 Ordinary shares in Bank and Commercial at 2p each.

Joseph Sebag has bought 120,000 Lonrho Ordinary shares at between 76p and 81p on behalf of associates of Gulf International (U.K.). The total Arab shareholding in Lonrho is believed to amount to approximately 22 per cent.

Ferguson Industrial Holdings has bought a further 35,000 Liner Concrete Machinery shares making total holding 2,848,900 shares (29.67 per cent.).

Scottish Northern Investment Trust has bought 250,000 Richards Ordinary shares. Total holding 1,500,000 shares (12.5 per cent.).

Jorehaut Holdings' beneficial interest in British Indian Tea (Holdings) is 42,325 Ordinary shares (24.85 per cent.).

Graff Diamonds—Mr. L. Graff has increased his holding by 101,446 Ordinary shares making total 3,561,583 shares.

CLARK & FENN SAYS NO

Clark and Fenn (Holdings) yesterday formally rejected the offer for its shares from Trafalgar House Investments, which is offering two Ordinary shares for every three in Clark and Fenn, valuing the latter at just under 60p each.

The Clark and Fenn Board considers that "this is inadequate as is the conditional cash alternative of 75p which Trafalgar would make available subject to your Board's recommendation of their offer."

The Clark and Fenn Board says it will shortly be giving detailed reasons.

NATIONAL SUPPLY

National Supply Company, a division of Armco Steel Corporation, has restructured its two British wholly-owned subsidiaries, Oweco, of Stockport, and the National Supply Company U.K., of London. They have been merged into one company to be known as National Supply Company U.K.

JEAVONS

The chairman of E. F. Jeavons, Mr. T. S. Ringrose, has sent a letter to shareholders, countering that sent out by Pentos, which is bidding for the company. The latest letter states that the Jeavons directors see nothing in the Pentos document to alter their view that the offer is inadequate.

HOWARD TENENS

The Constantine Group has acquired, with effect from June 1, the surface forwarding business of W. Wingate and Johnston in England and Wales from Howard Tenens Services.

BOWATER

The Supreme Court has given the go ahead for Bowater Investments (Far East) to acquire the shares it does not already own in Indonesia Consolidated, and for Bowater (Hong Kong) to acquire the remainder Cathay Securities.

SIMON ENGRG.

TR International (Chemicals), a Simon Engineering company, is expanding its chemical trading interests in France by the acquisition of an 80 per cent. holding in Chimilux SA, Paris, for Frs.3.2m.

LSE graduate repays debt to society

A computer programmer who felt guilty about getting his university education free tried to give the £5,630 he estimated it cost to the widow of Britain's richest man.

Mr. Victor Robertson, 45, sent the money to Lady Ellerman because her husband, shipping line chief Sir John Ellerman, paid more taxes than anyone else during the time Mr. Robertson was studying at the London School of Economics.

Lady Ellerman has donated the gift to three charities: the Royal National Institute for the Deaf, the National Association for Mental Health and the British Home and Hospital for Incurables.

Export growth at Capper-Neil

DURING THE coming year, a further increase in site construction work is planned by Capper-Neil, diversified into a wider range of industries and concentrated towards overseas markets, the chairman, Mr. W. P. Capper says in his annual report.

This, together with more export contributions from the rest of the group, is intended to raise substantially, the export performance.

With minor workshop exceptions, subsidiaries' order books once again stand at a very high level, says Mr. Capper.

Last year's performance was not restricted by cash flow or liquidity problems, nor are such problems expected to arise in the current year, he adds.

As reported on May 27, pre-tax profits for the year ended March 31, 1976, rose from £1.41m. to £2.76m. and the directors expect a further increase for the current year. The dividend is lifted from 2.3758p to 2.574p on increased capital.

The policy of developing overseas markets resulted in group export turnover reaching a record £7.72m.—a 36 per cent. increase on the previous year's £5.68m.

The majority of the 1975-76 expansion came from Capper Neil International and Capper Pipe Service. The former company entered three new areas in the Middle East and North Africa with sizeable contracts being won in Dhubai, Sudan and Egypt. Further contracts were obtained in West Africa, Abu Dhabi and the Republic of Ireland.

Capper Pipe Service again improved its performance in spite of less buoyant U.K. markets.

Chairman's statement, Page 23

£1.5m. deficiency at Thames Guaranty

The creditors and contributories of Thames Guaranty, the failed London bank currently the subject of an enquiry into possible breaches of Exchange Control regulations, were told yesterday of an overall deficiency of £1.5m., but the depositors appear to be secure.

A draft statement of affairs showed total assets of £1.8m. and liabilities of £3.3m. After meeting preferential liabilities and the claims of non preferential unsecured creditors — including deposit and current accounts of £992,155 — there was a surplus of £328,000. This compares with the further claims of £1.2m. in relation to unsecured loan stock holders and £590,000 in respect of shareholders.

On Tuesday the Bank of England stepped in together with the Portuguese minority shareholders in Thames to protect "certain unconnected" depositors in the company. These are thought to account for 200 to 300 out of a total of over 450 depositors. In each case, the Bank added that it must be satisfied that the "depositor has conducted his account in accordance with any relevant provision of the Exchange Control Act 1947."

Subject to any contingent liabilities that might arise as a result of the Bank's enquiries, it seems that sufficient funds are available to meet depositors in full. However, the main losers, apart from the controlling family trust interests of Mr. Ralph Yablon, a director of Thames, appear to be the Portuguese minority holders —Credito Predial Portugues and Sociedade Financeira Portuguese each hold 14.3 per cent. of the capital. SFP, which also owns the $2.2m unsecured loan stock, petitioned for the compulsory winding-up of Thames in March. This followed an attempt on its part to secure immediate repayment of foreign currency deposits consisting in Sw.Fr.754,000 and B.Fr.5m. which it now seems likely to recover.

Draft supporting accounts prepared for Thames Guaranty show that the bank sustained a trading loss of £79,826 in the 18 months to September 30, 1975, and in the intervening period to March 22, 1976, there was a further trading loss of £259,092. This brought the deficiency on this account to £258,672.

Mr. W. E. Batford, who was named as special manager following the appointment of the Official Receiver as provisional liquidator in March, was elected as liquidator to Thames by the creditors at yesterday's meeting. A committee of inquiry was also formed, including two representatives of the Portuguese shareholders.

Ouvah Highfields

It is still not possible for Highfields to determine when the procedures leading to the finalisation of the group's plantation company's affairs in Sri Lanka can be completed. Therefore it is the Board's intention, when preparing the accounts for 1975 not to consolidate the accounts of those plantation subsidiaries. Pre-tax profit for 1975 of the subsidiaries operating in the U.K. were approximately 45 per cent. lower than in 1974.

Keystone

Gross income of Keystone Investment Company rose from £268,422 to £239,316 in the six months to April 30, 1976, and revenue increased from £221,029 to £235,552 before tax of £85,236, compared with £77,531.

The interim dividend is lifted from 1.25p to 1.35p net, per 50p share. Last year's total was 4.25p paid from pre-tax revenue of £435,122.

MINING NEWS

Blair Athol's export hopes fade

BY KENNETH MARSTON, MINING EDITOR

WHILE coal operations in other parts of the world, notably in South Africa and the U.S., are busily gearing up to take advantage of the burgeoning energy market, Australia's Blair Athol has run into problems. So much so that the Rio Tinto-Zinc group's 80.7 per cent.-owned Conzinc Riotinto of Australia has allowed its $2.5m. (£1.78m.) option to purchase 5 per cent. of the Blair Athol equity from Mines Administration to lapse at a cost of $0.5m.

CRA still owns 37 per cent. of the Australian coal producer, but the decision not to increase this stake has followed the suspension of Blair Athol's efforts to expand production for export. Prospects for the latter's proposed large-scale export operation which has already incurred "considerable" expenditure, have been dampened by several factors.

For a start, the Japanese market for this type of coal has not developed to the extent that was anticipated following the 1973-74 oil price increases. Furthermore, Australia's tax legislation is stated to have left Blair Athol incapable of carrying the high costs of infrastructure required for large-scale development.

Australia's coal export duties imposed last year, it is added, have created uncertainty in the minds of potential consumers who fear that they might have to bear the cost of any increase in the duties or, perhaps, face insecurity of supplies. Finally, it is considered that "grave difficulties" face the project in view of Australia's requirements that the Blair Athol equity should be 50 per cent. Australian-owned.

Mr. Ru Madigan, chairman of Blair Athol, ends this call for more sympathetic consideration by the Federal Government with the hope that if Blair Athol's commercial prospects improve, the project will not be hindered by the requirement for 50 per cent. Australian equity ownership which is "particularly onerous on existing shareholders."

Hopefully, events have now overtaken this plea with the news reported yesterday, that the Minister for National Resources, Mr. Doug Anthony, is prepared to relax the investment guidelines — apart from uranium — where difficulty is experienced in obtaining the required Australian equity participation in new projects. CRA were 5p down at 305p yesterday.

LABOUR UNREST AT W. HOLDINGS

The morning shift at the No. 2 shaft of South Africa's Western Holdings gold mine failed to go underground yesterday following a disturbance there on Wednesday night.

A mine spokesman said that some miners were slightly injured in the disturbance at the No. 2 hostel which involved several hundred men. The apparent reason for the trouble was dissatisfaction over recent pay rises.

He added that it was too early to say whether production would be affected by the disturbance. In a generally easier share market yesterday Western Holdings lost ¾ to £19¾.

AFTER THE IMF GOLD AUCTION

The South African Finance Minister, Mr. Owen Horwood, said yesterday that the result of the International Monetary Fund Gold auction will give "new confidence" to the gold market and that the fears that the auctions would drastically affect the bullion price have now finally been "laid to rest."

He added that with this new confidence it is only a matter of time before the metal price resumes its upward trend. In London, bullion rose 25 cents to $127.375, after being $126.90 at the morning fixing, while Gold shares lost ground owing to profit-taking, coupled with the modest decline in the investment dollar premium. Falls ranged to ¾ in Free State Geduld (£15⅜) and Western Holdings (£19¾) and the Gold Mines Index gave up 3.3 to 186.0.

YUKON CONS. IS DOING BETTER

Mirroring the sharp recovery in fortunes of its 20.1 per cent. stake in the copper and molybdenum-producing Lornex Mining in British Columbia, Canada's Yukon Consolidated reports March quarter earnings of $505,396 (£300,000), equal to 4.2 cents (2.5p) per share. There was a loss of $36,220 in the same period of last year.

Consolidated net income of the 36.9 per cent.-owned Crows Nest Industries was $367,000 (£218,000) for the past three months compared with only $45,000 in the first quarter of 1975. The latter is carrying out a feasibility study with Mitsui of coal reserves in the Line Creek area. Yukon were 152p yesterday.

Randfontein pays 100c

A PLEASANT surprise in the half-yearly dividends declared by the gold mines in the Johannesburg Consolidated group is an earlier than expected resumption of payments by Randfontein. The latter is declaring an interim for 1976 of 100 cents (67p), its last payment having been for 1970 before a new era was ushered in for the company by the development of the new Cooke mine.

Randfontein states that although the gold-uranium company has not yet committed itself to any uranium supply contract, this is likely in due course and it is thus possible to recommence "modest" dividends while providing the funds which will enable uranium production and sales to be achieved.

A sharply reduced interim was anticipated from Western Areas which is now running into the onset of tax liability. But in the event the reduction is less severe than expected, the payment being 8 cents (5.4p): last year an interim of 20 cents was followed by a final of 32 cents. The holding company, Elsburg, is declaring an interim of 5.2 cents (3.5p).

The latest dividends were not known during market hours when Randfontein closed ½ down at £19 and Western Areas were 12p off at 208p.

Hawthorn Leslie

Because of uncertainties connected with nationalisation legislation the interim report for R. and W. Hawthorn Leslie for the year to June 30, 1976 and any decision on Ordinary dividends have been delayed.

A statement to this effect will be circulated to shareholders in mid-June. The Preference dividend will be paid on July 1.

HAW PAR (LONDON) CONVERSION

Haw Par (London) has announced that June 30 will be the next date for holders of the convertible redeemable guaranteed preference shares to convert into Ordinary shares of Haw Par Brotothers International.

Holders may convert into Haw Par shares at the rate of 275 shares for every 1,000 convertible shares.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Paribas combines optimism with a new bond issue

BY RUPERT CORNWELL PARIS, June 3.

M. JACQUES de FOUCHIER, president of the Paribas banking and investment group, has presented a generally optimistic picture of immediate prospects—and also announced a convertible bond issue on the Paris market totalling Frs.420m. (£50m.).

The issue will consist of 2.2m. bonds of a face value of Frs.190 apiece, but the final details have not yet been set. The bonds will be convertible at any time into shares of the parent company, Cie Financiere de Paris et des Pays Bas on a one for one basis.

Speaking at the annual meeting here, M. de Fouchier expressed his satisfaction at the outcome of 1975, which saw consolidated profits up from Frs.310m. to Frs.438m. (£51m.).

The entitlement of the parent company rose to Frs.356m. (£43m.) from Frs.241m., equivalent to Frs.32.32 per share (Frs.23.72).

He then went out of his way to dispel fears that the deep recession of last year might have severely damaged portfolio income anticipated for 1976, with predictable consequences for total revenues.

In fact, M. de Fouchier pointed out, detailed recent studies had shown that the make-up of Paribas' investments was somewhat more favourable than a mere cross-section of the market, and that dividend income for 1976 would be at the very least the equal of, and probably higher than, that of last year.

His second argument was that a rise in domestic interest rates on the scale of that of 1974, which played havoc with results for that year from the banking sector, was distinctly unlikely.

Not only had the U.S., despite an economic recovery so far stronger than anything experienced on this side of the Atlantic, managed to contain the increase in borrowing costs, but the French monetary authorities were now aware that the anti-inflationary advantages of high interest rates were outweighed by the damage they would do to industrial investments and thus to longer-term prospects.

M. de Fouchier also launched a spirited attack against the threat of nationalisation facing his group—at least on paper—should the Left come to power following the next Parliamentary elections. Such a step would be counter-productive, especially as two-thirds of the country's banking system was already in the hands of the State.

* * *

BANQUE NATIONALE de Paris (BNP), the State-owned French bank now fourth largest in the world, is holding talks with the French Government, its dominant shareholder, over a capital increase from the present level of Frs.500m.

BNP's consolidated balance sheet totalled Frs.175bn. (£22bn.) at the end of 1975, while group earnings last year totalled £305m. (£38m.).

This year's prospects look less encouraging.

Confident forecast from Electrolux

BY WILLIAM DULLFORCE STOCKHOLM, June 3.

ELECTROLUX, Sweden's multinational domestic appliance and industrial cleaning group, anticipates a "considerably better" result this year after a favourable earnings performance during the first four months. Pre-tax earnings fell from Kronor 468m. to Kronor 356m. (£44.5m.) last year despite a 16 per cent. sales growth.

The group usually reports only half-yearly, but managing director Goesta Bystedt announced the four-month improvement to the annual general meeting this week. Sales were up by 15 per cent. and, if the newly acquired Martin and Tornado companies are included, the increase is around 30 per cent., indicating that 1976 sales as a whole may exceed the Kronor 8bn. (£1bn.) forecast in the final 1975 report.

National Union Electric (NUE), the American vacuum cleaner subsidiary, increased turnover by some 40 per cent. during the first four months, while the original Electrolux units put on 12 per cent. over the corresponding period of 1975. NUE also made a "strong" contribution to earnings with the older companies showing a "heartening" increase.

Earnings in the Facit typewriter and office equipment subsidiary, responsible for the larger part of the fall in group profit last year, were slightly lower than during the first four months of 1975 despite a 7 per cent. sales rise, but Mr. Bystedt pointed out that the deterioration set in after the initial four months last year.

The newly acquired French Martin companies had an operating loss of about Kronor 30m. (£3.75m.) last year. The result so far this year indicates a small profit for 1976 but Martin will also give a "considerable" addition to group earnings from deliveries through its network of some 75,000 refrigerators and freezers from other Electrolux factories. But, Mr. Bystedt told the shareholders, a substantial restructuring of the Martin companies would be needed to reach an acceptable profit level.

Lufthansa feels healthy

By Adrian Dicks

BONN, June 3.

DEUTSCHE LUFTHANSA has seen an increase in demand in the first four months of this year, sadi its chairman, Herr Herbert Culmann. Lufthansa could expect a healthy profit for 1976 asa whole if the present outlook remained.

The airline carried 529m. passengers in 1975, up 3 per cent. from the previous year, and achieved an average load factor of 58 per cent., down 1 per cent. from 1974. Freight carried remained unchanged at 8.6m. tons.

Krupp steel loss

FREIDRICH KRUPP Huettenwerke, the steel making branch of the Krupp group, showed a balance sheet loss of DM42m. in 1975, equal to DM25 per share, Adrian Dicks writes from Bonn. Turnover was down from DM3.3bn. to DM2.6bn. Cash flow per share declined from DM69 to DM20 per share, but investment was almost maintained at DM311, compared to DM315m.

But the company reported an improvement in the first four months of 1976, with rolled steel orders up by 23 per cent. and capacity use also improved.

Baloise issue

BALOISE, the Basle insurance group, is to issue 100,000 participation certificates of Sw.Fr.100 at a price of Sw.Fr.175 each. The certificates will be offered to existing holders of registered shares at a 1:4 ratio. At the same time, shareholders will be asked to approve payment for the financial year ended May 31 of an unchanged gross dividend of Sw.Fr.12 per share from net profits of Sw.Fr.5.09m. (5.26m.), writes John Wicks from Zurich.

Waagner Biro rise

WAAGNER BIRO a leading Austrian heavy engineering firm reports a rise of 19 per cent. in turnover to Sch.1.65bn. (£51.6m.) last year, Paul Lendvai writes from Vienna. The order book at the end of 1975 was up by 27 per cent. to Sch.4.5bn. compared with the same position a year earlier.

Dutch insurance notes

THE DUTCH insurance companies Nationale-Nederlanden and Ennia, which held their annual shareholders meetings to-day, issued certain forecasts cocerning this year's profit development, Michael Van Os writes from Amsterdam. Nationale said that profit per share on the increased capital was not expected to be lower than in 1975, while Ennia said that this year's profit per share may grow by about 10 per cent.

Hessische write-offs

HESSISCHE LANDESBANK, Reuter reports from Frankfurt, sees no current reason to raise its write-off needs in 1976 from the DM2.2bn. already set aside to cover the three years until end-1975, Board Chairman Heinz Sippel told the annual Press conference.

. . . and loss at C. Itoh

C. ITOH, meanwhile, sustained an after-atx deficit of Y5.77bn. for the year ended March 31 (profit of Y4.88bn.).

The Japanese trading house said it sees net income of about Y5bn. for the current fiscal year to March 31, 1977, on estimated revenues of Y6,200bn.

Roche expects higher sales

By JOHN WICKS ZURICH, June 3.

THE HOFFMANN-La Roche pharmaceuticals concern hopes this year to make up for the setback experienced in 1975 sales, according to Dr. Adolf Jann, chairman of the Basle-based parent undertaking F. Hoffmann-La Roche & Cie.

Last year, combined turnover of the groups of companies controlled by Hoffmann-La Roche and its Canadian holding subsidiary Sapac Corporation was down 5.8 per cent. on the 1974 totl to Sw.Frs.4.75bn. (Sw.Frs. 5.04bn.).

This decline was due primarily to the alteration in the Swiss-Franc exchange rate; sales in terms of local currencies rose by some 6 per cent. over the year and sales volumes increased in most countries, due to the relative resistance of the pharmaceuticals sector to recession, the share of pharmaceutical and vitamin specialities in group turnover rose from 55 to 60 per cent. in 1975, and about one-half of these sales were absorbed by psycho-pharmaceuticals alone. The share of chemicals and vitamins dropped from 25 to 20 per cent. of group sales and that of flavours and fragrances from ... to 10 per cent.

Turnover has developed very satisfactorily in the first four months of 1976, said Dr. Jann, rising by 18 per cent. in local currencies and 10 per cent. in Swiss francs. Nevertheless, in view of the difficulty of introducing adequate price increases profits are expected to be rather lower than last year. For 1975 net income of the Roche and Sapac groups amounted to Sw.Frs.455.1m., as compared with Sw.Frs.521.7m. in the previous year.

Substantial progress achieved by Japanese shipyards

BY PETER DUMINY TOKYO, June 3.

JAPAN'S MAJOR shipyards made substantial progress in expanding other industrial activities in the past year, and more particularly in the second half. As a result, the decline in the industry may not wreak the damage that was predicted a year ago.

Ishikawajima-Harima Heavy Industries (IHI) reports the best results—a 28 per cent. increase in pre-tax profits to $118m. (before non-recurring items), and a 39 per cent. rise to $31.6m. in earnings. The company has long had three-fifths of its business in land-based machinery, and is a large and successful exporter of industrial plant.

Sumitomo Heavy Industries experienced a 27 per cent. decline in shipbuilding sales and a 38 per cent. drop (to $634m.) in the shipyard order book. Machinery sales, however, rose 3 per cent. to $444m. and the order book for these divisions ended the year 29 per cent. higher at $645m.

The drop in total sales was restricted to 11 per cent. (to $693m.), pre-tax profits rose 17 per cent. to $32.6m. and earnings were 10 per cent. higher at $14.8m.

Sumitomo's trading profit was, in fact, 30 per cent. higher, at $74m., but this was eaten into at the pre-tax level by the interest burden. This pattern is also fairly typical of the industry.

Hitachi Shipbuilding, which during the week announced Japan's first issue of Preference stock for 15 years (to raise $40m.) reports a 9 per cent. hike in sales (to $1.1bn.) combined with a drop from 60 per cent. to around 44 per cent. in proportion accounted for by shipbuilding.

Pre-tax profits dropped 32 per cent. to $28.8m., after charging a net $34.6m. in interest and other non-operating expenses (partly offset by sales of securities). Earnings came out little changed at just under $13m.

Kawasaki Heavy Industries had a 5.5 per cent. drop in sales to $1.6bn., with the shipbuilding component falling to around 23 per cent. Pre-tax profits and earnings were virtually unchanged at $66m. and $35.5m. respectively.

Mitsubishi Heavy Industries had relatively disappointing results—pre-tax profits dropped 51 per cent. to $85m. on sales that were 2 per cent. lower at $3.58bn. The earnings drop was held to 8 per cent. by transfers from exchange losses and price fluctuations reserves. Earnings came to $49.6m.

Caution at Kaufhof

BY ADRIAN DICKS BONN, June 3.

KAUFHOF, the second largest West German retail stores chain, reported to-day that it sees little sign so far of an improvement in business this year. But it predicted that in spite of the sluggishness of the economic recovery as it has affected retailing, this year's turnover will be in excess of DM7bn., compared to DM6.7bn. in 1975 and DM6.3bn. in 1974.

The company revealed final profits of DM90m. for 1975 (DM81m. in 1974), and will pay an unchanged dividend of DM10 per DM50 share. Last year's 8.7 per ecnt. increase in turnover was achieved, Kaufhof stated to-day, with an increase of only 2.2 per cent. in floor spce, and with a 1.5 per cent. reduction in staff to 57,100.

New investment of DM220m. is contemplated this year, but hte total in 1977 will be very much lower.

In the first four months of this year, Kaufhof achieved a 3.7 per cent. increase in turnover in spite of the slowly moving conditions of which it complained. This worked out at 3.8 per cent. for the Kaufhof shops and 3.7 per cent. for the "down market" subsidiary, Kaufhalle.

Slump in profits at CFP

BY ROBERT MAUTHNER PARIS, June 3.

COMPAGNIE Francaise des Petroles (CFP), the French oil major in which the Government has a 35 per cent. stake, to-day announced a sharp drop in net consolidated group profits from Frs.1.75bn. in 1974 to Frs.721m. (about £90m.) in 1975.

Cash flow, too, plummeted by some 50 per cent. from Frs.4bn. in 1974 to Frs.2.17bn. last year with depreciation and provisions going down from Frs.2.3bn. to Frs.1.45bn. for the same period. However, the company pointed out that the 1974 results included exceptional inventory income to the tune of Frs.1.2bn. for net income and Frs.1.65bn. for cash-flow, while in 1975 income on both these counts was negligible.

The drop in profits was accompanied by a more modest decline in group sales before tax from Frs.42.8bn. in 1974 to Frs.39bn. in 1975, due mainly to a significant fall in the consumption of oil products. In terms of volume, group sales declined from 86.6m. tons in 1974 to 72.3m. tons last year.

Investments followed the general trend, falling from just over Frs.4bn. in 1974 to Frs.3.4bn. during the last financial year. But the latter figure included Frs.922m. spent on the acquisition of majority stakes in Compagnie Auxiliare de Navigation, Hutchinson Mapa, Lafip and Arco Petroleum of Britain.

Self-financing covered 56 per cent. of requirements and amounted to Frs.1.9bn. The balance was covered by increased long- and medium-term borrowing, justified by favourable prospects for development of oil and gasfields discovered during the last few years.

The company stated to-day that field assessment and development work carried out in 1975 on discoveries made by subsidiaries operating in the North Sea and Indonesia confirmed that these companies could fully recover exploration expenses from their production results. Previously appropriated provisions for depreciation on such operations were written back into the 1975 consolidated results.

Some optimism at Alitalia

BY DOMINICK J. COYLE ROME, June 3.

DESPITE its recurring losses and its current industrial troubles, Alitalia chief executive, Sig. Umberto Nordio, has held out a tentative promise to shareholders (mainly the state itself through IRI) of a gradual return to profitability at some unspecified time in the future.

There was no logical justification, he said here, why the Italian flag carrier should become a company permanently subsidised through public funds. Managerial mistakes had been made in the past (presumably before Nordio himself took over in September, 1973) and these together with the present recession in world aviation, had put Alitalia in an extremely difficult situation.

In a generally hard hitting speech, Nordio launched an attack on a wide front. The airlines' major shareholder, IRI had, he said, followed a thoroughly eronious commercial and investment policy unsupported by a proper capital base. This presumably has now been put to right, given IRI's agreement to double Alitalia's capital to L100bn.

He criticised the major world airlines, mentioning British Airways specifically, for acknowledging the need to reduce seat capacity on the North Atlantic and then expecting cut to be made exclusively by the European carriers.

Nordio also had some tough words to say about the Anglo-French Concorde. It had, he said, cost Lira2,300bn. in its construction phrase and would cost "crazy sums" to operate.

Reduced losses revealed by Japan's airlines

BY PETER DUMINY TOKYO, June 3.

JAPAN'S three airlines report increased operating revenues and reduced trading losses in the year ended March 31. For the first time, all three returned net earnings, though this was largely pulled out of reserves.

Japan Air Lines, the international carrier (but which also operates many domestic services), owes its improvement to improving international traffic: 11 per cent. more fare-paying passengers and 32 per cent. more cargo (measured in ton kilometres). Operating revenue reached $1.17bn., up 19 per cent.

Partly on that account the trading loss was held to $3.5m. compared with $90m. in 1974-75. Other factors included economies, including a halt in recruitment and reduced promotional expenditure.

Interest and other charges increased the loss to $32.7m. ($105.5m.) before special items. But these non-recurring items, including a $7m. tax refund gave earnings of $3.7m. at the end of the day (previous year loss of $59m.)

On domestic routes all airlines got the benefit of a rise in fares last September, but Japan Air Lines lost out to its competitors and to one other mode of transport for special reasons. These were the improved facilities at two Kyushu airports served by All Nippon Airways (ANA). Probably more serious, the bullet train service was extended to Kyushu, and immediately proved popular.

The net impact on ANA figures was a 3 per cent. jump in fare-paying passengers, a 25 per cent. rise in operating revenue (to $616m.) and a virtual doubling of earnings, to $5.2m.

TDA, which is not listed and has yet to pay a dividend, declared maiden earnings of $1.7m: after $690,000 pre-special items, and on operating revenue that rose 26 per cent. to $13...

Colombia Euroborrowing

FINANCIAL TIMES REPORTER

COLOMBIA is turning to the Euromarkets for finance again; international banking sources report. A $100m. seven-year loan for Empresa Colombiana de Petroleo (Ecopetrol) under Colombian government guarantee, is expected to go into syndication soon.

The borrowing plans have been under negotiation for some time but it appears that even now, due to changes in personnel in the Colombian Ministry of Finance, the mandate has yet to be formally awarded. However, the market expects the loan to be arranged by a group led by N. M. Rothschild, Kuhn Loeb and Bank of America. The spread is expected to be 1½ per cent.

* * *

Four new dollar Eurobonds were launched yesterday, for Mexico's Nacional Financiera, Occidental Petroleum, the Japanese retailing company Dai Ei and Can$20m. for Crédit Foncier Franco-Canadien.

Nacional Financiera is raising $30m. for five years at an indicated 10 per cent. via a group headed by Crédit Suisse White Weld. Occidental Petroleum is raising $30m. for seven years at an indicated 9¾ per cent. via a group headed by Kidder Peabody. The Can$20m. issue is for ... years at an indicated 9¾ per cent. via a group headed by A. E. Ames.

The Dai Ei issue is a $30m. 15-year convertible. Final details ... Lead manager is Nomura Europe ... of the issue have yet to be fixed.

* * *

Latest big loan for an Eastern European country is $175m. for the Deutsche Aussenhandelsbank, East Germany's foreign trade bank. This loan has now been signed.

Originally scheduled as $150m. the loan offers a spread of ... per cent. on a five-year final maturity. Lead manager is Bank of America.

DUTCH BANKING

Private sector on the attack

BY MICHAEL VAN OS AMSTERDAM, June 3.

TWO LEADING Dutch private banks, Amro Bank and Rabo Bank, to-day launched scathing attacks on the Dutch Government's proposals for a state banking organisation, the full details of which are due to be revealed in the near future.

Speaking in Breda at the opening of the Amro Securities Centre, the bank's Board Member Mr. R. J. Nelissen—who was Finance Minister in the previous coalition—said that such a bank would be "superfluous, damaging and disorderly." He said there was an urgent need for wide discussions on the plans with all parties involved or to be affected by it and he pointed out that this concerned a case "which, from the point of view of state activity in the private sector, could have the effect of a special precedent."

Rabobank's Supervisory Board Chairman, Mr. C. G. A. Mertens, addressing the bank's annual meeting in Utrecht to-day, expressed worries about unfair competition from the so-called Postbank, supposed to be founded to avoid the possible distortion of competition in the sector. It would be the members of the Rabo co-operative group who would be affected by the Postbank's activities, which would primarily concentrate on the retail sector. He added: "It will mean competition from the State, through the Finance Ministry. It will be the Minister who will approve the bank's policies, who appoints its management, is responsible for the fiscal regime of the bank and for those in the private sector, with which it competes; it's also the minister who can allow mergers between banks and turn them down, and who is politically responsible for the activities of the central bank."

On the subject of competition, Mr. Nelissen of Amro said in Breda that there was already enough competition in the banking sector as far as financial services to the private clients were concerned. "One should rather say there is a situation of over-banking," he remarked. The Amro chief said that, judging from the most recent reports, the Government's aims did not any longer cover merely a retail banking operation, but a complete financial institution offering a full range of financial services to private clients as well as to companies and organisations — thus including the supply of credit.

Mr. Nelissen said that the Dutch corporate sector did not need the services of a state bank—competition was lively enough with the commercial banks, the co-operative banks, the savings banks and the many establishments in Holland from foreign banks. He strongly rejected the need, advocated by "certain politicians" of a so-called countervailing power to face the private banks.

The Amro Bank Board member also maintained that the arrival of such a state banking organisation could in fact be damaging for the existing banks as it would obstruct the private banks' outlets for further profitable expansion.

Already their liquidity positions were declining. He also expressed doubts, despite Government assertions, that the Postbank would enjoy the same competitive advantages as the private sector—that there would in practice be identical rules and regulations for the Postbank.

A commission of civil servants is currently preparing a report for Socialist Finance Minister Dr. Willem Duisenberg on the proposed state bank, which would have as a basis the merger between two existing state financial institutions—the state postal savings bank (RPS) and the post cheque and giro service (PCGD). The latter two, the Government claims, have seen their competitive position erode gradually in view of the restricted package of financial services they are able to offer clients.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	100½	101¼
Ashland 8pc 1987	94½	95½
Austrasweis 8pc 1987	92½	93½
BFCE 8½pc 1983	98¼	99¼
CNE 9¼pc 1985	99¼	100¼
Conoco 8pc 1985	98	99¼
ECS 9½pc 1980	100¾	101½
EIB 9½pc 1981	101½	102½
ERAP 9½pc 1985	101	102
Esso 8pc 1986 Nov.	100	101
Eurofima 9½pc 1985	98½	99½
Granges 9½pc 1985	100¼	101¼
Massey 9½pc 1982	102¼	102¾
Michelin 9½pc 1986	99½	100¼
MODO 9½pc 1983	99¼	100¼
Newfndlnd Labrador 9¾ '86	102¾	103¼
New Zealand 9½pc 1982	102¼	102¾
Norpipe 9½pc 1986	99½	100¼
Norsk Hydro 9½pc 1986	100¾	101¼
Oslo 9pc 1988	98½	99½
Pacific Light 9pc 1988	93¼	94
Prov. Quebec 9pc 1981	100¾	101½
[illegible] 8¼pc 1985	99½	100½
SFE 9pc 1985	100	101
Shell 8pc 1990	98½	99½
Standard Oil (Ind.) 9½pc '88	102¼	103¼
Svenska Handels 9½pc 1986	100¾	101¼
Volvo 9½pc 1985	101¼	102¼
NOTES		
Barclays 9½pc 1982	101¾	102¾
British Gas 9pc 1981	99¾	100½
Charbonnages France 8¾ '81	98	99½
Denmark Mort. Bk. 9pc '83	100¼	101¼
ECS 8½pc 1981	100¼	101¼
EEC 8pc 1982	96½	97¼
Electricity Council 8½pc '81	99½	100½
[illegible]	[illegible]	[illegible]

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	80¼	82¼
Ashland 5pc 1988	93	95
Beatrice Foods 4¼pc 1992	96	98
Beatrice Foods 4½pc 1992	108	110
Borden 5pc 1992	96½	98½
Broadway Hale 4½pc 1987	75½	77½
Canon Camera 7½pc 1989	151	153
Carnation 4pc 1987	77½	79½
Chevron 5pc 1988	116	118
Dart 4½pc 1987	77	79
Eastman Kodak 4½pc 1988	111½	113½
Economic Labs. 4½pc 1987	76	78
Fed. Dept. Stores 4½pc '85	105	107
Firestone 5pc 1988	88½	90½
Ford 6pc 1986	98½	100½
Ford 5pc 1988	85	87
General Electric 4¼pc 1987	83½	85½
Gillette 4¾pc 1987	76	78
Gould 5pc 1987	88½	90½
Gulf and Western 5pc 1988	99	101
Harris 5pc 1992	84	86
Honeywell 6pc 1986	92½	94½
ITT 4½pc 1987	74½	76½
Komatsu 7½pc 1990	104½	106
J. Ray McDermott 4½pc '87	141	143
Mitsubishi Elec. 7½pc 1991	104½	106
Mitsui 7½pc 1990	101	102½
J. P. Morgan 4½pc 1987	111½	113½
Nabisco 5½pc 1988	91	93
Owens Illinois 4½pc 1987	101	103
J. C. Penney 4½pc 1987	79	81
Pioneer 6½pc 1988	200	205
Revlon 4½pc 1987	97½	99½
Reynolds Metals 5pc 1988	85	87
Sperry Rand 4½pc 1987	95½	97½
Squibb 4½pc 1987	74	76
[illegible]	[illegible]	[illegible]

Source: White Weld Securities.

Drop at Mitsui

MITSUI AND CO. said its profit before tax and special items fell about 60 per cent. on the preceding year, to Y15.1bn., the sharpest fall in its history.

The trading house said that sales fell 3.6 per cent. on the preceding year, reflecting sluggish world economic activity, Reuters reports from Tokyo.

expects sales

losses by airlines

Euroborrow

attacl

Drop at Mitsui

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, 2nd June. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources. Exchange rates listed are middle rates between buying and selling rates as quoted between banks. Where a multiple exchange rate system is in operation (m), the rate quoted is the commercial rate unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked.

All rates quoted are for indication purposes only and are not based on, and are not intended to be used as a basis for, particular transactions. By quoting the following exchange rates, Bank of America NT & SA does not undertake to trade in all listed foreign currencies and does not assume any responsibility for any errors in the table below.

Bank of America Eurodollar Libor as of June 3 at 11.00 a.m.
3 months: 6⅛ 6 months: 7⅜

SDR1 = $US1.13982

Country	Currency	Value of DLR
Afars & Issas	Djibouti Franc	171.7862
Afghanistan	Afghani (o)	45.39
Albania	Lek (m)	3.85
Algeria	Dinar (a)	4.1502
Andorra	Fr. Franc	4.7262
	Sp. Peseta	67.94
Angola	Ang. Escudo	30.82
Antigua	E. Caribbean $	2.7851
Argentine	Ar. Peso (5)(†)	140.17
Australia	Australian $	0.8147
Austria	Schilling	18.30
Azores	Port. Escudo	30.82
Bahamas	Ba. $	1.00
Bangladesh	Taka	15.6805
Bahrain	Dinar	0.3958
Balearic Is.	Sp. Peseta	67.94
Barbados	Barbados $	2.0025
Belgium	B. Franc (m)	39.75
Belize	B.$	2.2293
Benin	C.F.A. Franc	236.41
Bermuda	Bda. $	1.00
Bhutan	Indian Rupee	9.0691
Bolivia	Bolivian Peso	20.20
Botswana	S.A. Rand	0.8695
Brazil	Cruzeiro	10.325
Br. Solmn. Is.	Australian $	0.8147
Br. Virgin Is.	U.S. $	1.00
Brunei	Brunei $	2.4760
Bulgaria	Lev	0.96
Burma	Kyat	7.4537
Burundi	Burundi Franc	78.50
Cambodia	Riel	n.a.
Cameroon Rp.	C.F.A. Franc	236.41
Canada	Canadian $	0.9774
Canary Is.	Sp. Peseta	67.94
Cape Verde Is.	Cape V. Escudo	30.82
Cayman Is.	Cay. Is. $	0.8330
Cen. Af. Rp.	C.F.A. Franc	236.41
Chad	C.F.A. Franc	236.41
Chile	Ch. Peso (m)	13.30
China	Renminbi Yuan	1.9743
Colombia	Col. Peso (m)	34.665
Comoros I'ds	C.F.A. Franc	236.41
Congo (B'ille)	C.F.A. Franc	236.41
Costa Rica	Colon	8.57
Cuba	Cuban Peso	0.8280
Cyprus	Cyprus £	0.4314
Czechoslovakia	Koruna (m)	5.80
Denmark	Danish Krone	6.1588
Dominica	E. Caribbean $	2.7851
Domin. Rep.	Domin'cn Peso	1.00
Ecuador	Sucre (o)	25.00
Egypt	Egyptian £ (o)	0.3905
Ethiopia	Ethiopian $	2.0655
Eq'tl Guinea	Peseta	67.94
Falkland Is.	Falkland Is. £*	1.7173
Faro Is.	Danish Krone	6.1588
Fiji Is.	Fiji $	0.9252
Finland	Markka	3.9096
France	French Franc	4.7282
Fr. Cty in Af.	C.F.A. Franc	236.41
Fr. Guiana	Local Franc	4.7262
Fr. Pac. Is.	C.F.P. Franc	85.72
Gabon	C.F.A. Franc	236.41
Gambia	Dalasi	2.2291
Germany (E)	Ostmark (m)	2.5895
Germany (W)	Deutschemark	2.5895
Ghana	Cedi	1.1538
Gibraltar	Gibraltar £*	1.7173
Gilbert & Ellice Is.	Aust. $	0.8147
Greece	Drachma	36.791
Greenland	Danish Krone	6.1588

Country	Currency	Value of DLR
Grenada	E. Caribbean $	2.7851
Guadaloupe	Local Franc	4.7282
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Rep.	Syli	21.07
Guinea Bissau	Peso	30.82
Guyana	Guyanese $	2.6192
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	H.K. $	4.8750
Hungary	Forint (m)	20.85
Iceland	I. Krona	183.80
India	Ind. Rupee	9.0691
Indonesia	Rupiah	415.0
Iran	Rial	70.05
Iraq	Iraq Dinar	0.2961
Irish Rep.	Irish £*	1.7173
Israel	Israeli £	7.62
Italy	Lira	844.00
Ivory Coast	C.F.A. Franc	236.41
Jamaica	Jamaica $	0.9091
Japan	Yen	300.25
Jordan	Jdn. Dinar	0.300
Kenya	Ken. Shilling	8.4925
Korea (Nth)	Won (a)	0.94
Korea (Sth)	Won	484.0
Kuwait	Kuwait Dinar	0.2945
Laos	Kip (o)	1,600.0
Lebanon	Lebanese £	n.a.
Lesotho	S. African Rand	0.8695
Liberia	Liberian $	1.00
Libya	Libyan Dinar	0.2961
Liechtenst'n	Swiss Franc	2.3965
Luxembourg	Lux. Franc (m)	39.75
Macao	Pataca	7.4099
Madeira	Port. Escudo	30.82
Malagasy Rp.	MG Franc	236.41
Malawi	Kwacha	0.9580
Malaysia	Malaysian $	2.5615
Maldive Is.	Mal. Rupee	5.5712
Mali Rp.	Mali Franc	472.85
Malta	Maltese £	0.4453
Martinique	Local Franc	4.7283
Mauritania	Ouguiya	47.28
Mauritius	M. Rupee	6.7662
Mexico	Mexican Peso	12.4906
Miquelon	C.F.A. Franc	236.41
Monaco	French Franc	4.7283
Mongolia	Tugrik (m)	3.3556
Montserrat	E. Caribbean $	2.7851
Morocco	Dirham	4.4410
Mozambique	Moz. Escudo	30.82
Nauru Is.	Aust. $	0.8147
Nepal	Nepalese Rupee	12.525
Netherlands	Guilder	2.7495
Neth. Ant'les	Antilian Guild	1.80
New Hebrides	Aust. $	0.8147
	Fr. Franc	4.7283
N. Zealand	NZ $	1.0173
Nicaragua	Cordoba	7.02625
Niger Rp.	C.F.A. Franc	236.41
Nigeria	Naira	0.6250
Norway	Nrwg. Krone	5.5465
Oman, Sultanate of	Rial Omani	0.3454
Pakistan	Pkst. Rupee	9.8943
Panama	Balboa	1.00
Panama Canal Zone	U.S. $	1.00
Papua, N.G.	Kina	0.8147

Country	Currency	Value of DLR
Paraguay	Guarani (m)	126.00
P'ple D. Rp. of Yemen	S. Yemen Dinar	0.3454
Peru	Sol	45.00
Philippines	Ph. Peso	7.6719
Pitcairn Is.	NZ $	1.0173
Poland	Zloty (m)(o)	3.32
Portugal	Port. Escudo	30.82
Port Timor	Timor Escudo	30.82
Principe Isle	Port. Escudo	30.82
Puerto Rico	U.S. $	1.00
Qatar	Qatar Ryal	3.9506
Reunion Ile de la	French Franc	4.7253
Rhodesia	Rhd. $	0.617
Romania	Leu	4.97
Rwanda	Rwanda Franc	92.84
St. Christopher	E. Caribbean $	2.7851
St. Helena	£ Sterling*	1.7173
St. Lucia	E. Caribbean $	2.7851
St. Pierre	C.F.A. Franc	236.41
St. Vincent	E. Caribbean $	2.7851
Salvador, El	Colon	2.50
Samoa (Am.)	U.S. $	1.00
San Marino	Italian Lira	844.0
Sao Tome	Port. Escudo	30.82
Saudi Arabia	Ryal	3.5350
Senegal	C.F.A. Franc	236.41
Seychelles	S. Rupee	7.7624
Sierra Leone	Leone	1.1446
Singapore	Singapore $	2.4705
Somali Rp.	Som. Shilling	6.2950
Sth. Africa	Rand	0.8695
S.W. Africa Territories	S.A. Rand	0.8695
Spain	Peseta	67.94
Span. Ports in N. Africa	Sp. Peseta	67.94
Sri Lanka	S.L. Rupee	8.5712
Sudan Rp.	Sudan £	0.3482
Surinam	S. Guilder	1.80
Swaziland	Emalangeni	0.8695
Sweden	S. Krona	4.4535
Switzerland	Swiss Franc	2.3965
Syria	Syria £	3.6750
Taiwan	New Taiwan $	37.97
Tanzania	Tan. Shilling	8.3025
Thailand	Baht	20.40
Togo Rp.	C.F.A. Franc	236.41
Tonga Is.	Pa'anga	0.8006
Trinidad	Trin. & To'go $	2.40
Tunisia	Tunisian Dinar	0.4359
Turkey	Turkish Lira	16.00
Turks & C's	U.S. $	1.00
Uganda	Ug. Shilling	8.4925
Utd. Kingdom	£ Sterling*	1.7173
Un'd A'b Emir	UAE Dirham	3.9585
USSR	Rouble	0.7560
Upper Volta	C.F.A. Franc	236.41
Uruguay	Urug. Peso (m)	3.165
Vatican	Italian Lira	844.00
Venezuela	Bolivar (m)	4.29
Vietnam (N)	Dong (m)(o)	2.9450
Vietnam (S)	Piastre (o)	1.55
Virgin Is. U.S.	U.S. $	1.00
Western Samoa	Samoan Tala	0.6066
Yemen	Ryal	4.57
Yugoslavia	New Y. Dinar	15.2135
Zaire Rp.	Zaire	0.8773
Zambia	Kwacha	0.6435

n.a. Not available. (m) Multiple exchange rate system, commercial rate used. (a) Approximate rate. (o) Official rate. * U.S. dollars per sterling unit. † Argentine peso: effective March 5, 1976. Exchange rate system merged, now only two rates, i.e., official rate and tourist rate.

For further information please contact your local branch of the Bank of America.

UNION MINIERE

69th Annual General Meeting of Shareholders, 28th May, 1976

The Annual General Meeting of Shareholders of Union Minière S.A. was held in Brussels on the 28th May, 1976, M. Paul-Emile Corbiau, Chairman of the Board of Directors acting as Chairman of the Meeting.

KEY FACTS

- Deep economic recession throughout the whole of the financial year.
- Setting up of the United States subsidiary "Union Zinc Inc", a 40% partner in the "Jersey Minière Zinc" joint venture.
- "Ocean Mining Associates" pursues its activities.
- In Canada, active preparation of the Thierry mine and concentrator.
- Mining engineering in Iraq.
- Reduction in the results and in the dividend.

SUMMARY OF RESULTS:

Main Figures (extracts from the Directors' Report)

* **Profit for the 1975 financial year**
B.F. 981,463,318.
* **Proposed dividend**
B.F. 700 per whole share (or B.F. 70 per 1/10th of a share).
(with imputable tax credit and imputable and reimbursable withholding tax included = B.F. 1,277.50). Total proposed dividend (including withholding tax) = B.F. 891,668,750.

BALANCE SHEET

* **Owners' equity after appropriation**
B.F. 20,430,902,177.
* **Intrinsic value of Union Minière**
On the basis of the balance sheet at the end of 1975, the intrinsic value of Union Minière was some 22,700 million Belgian francs, which gives a cash value of B.F. 2,200 to each one tenth of a company share.
* **Current assets total**
B.F. 15,684,338,159
Essentially, the reduction of B.F. 3.2 thousand million of the three postings "debtors", "short term investments" and "cash at Bankers and in hand" is due to — the new investments, mainly in the USA and Canada and to certain metal purchases (+ B.F. 949 million).
We have taken advantage of the fall in prices to acquire certain tonnages of metals, which has contributed to an increase of BF 949 million in this item of the balance sheet. An increase in value on stocks of metals, at a very conservative estimate, amounts to BF 500 million.
* **Compensation from Zaire**
At 31st December 1975, BF 3,438 million or 86% of the total agreed upon (i.e. BF 4,000 million) had in fact been received. As for the total payments made up to today's date, it is approximately 92% of our debt.
* **Increase of our investments (B.F. 7,232,844,818)**
The amount of investments has increased by BF 1,920 million mainly by reason of our investments in the Thierry mine in Canada and in Union Zinc in the United States.
Increase in value on holdings and investments for securities quoted on the Stock Exchange totals BF 1,830 million.

EXTRACTS FROM THE CHAIRMAN'S STATEMENT

* **Perspectives for the future financial years**
If the balance sheet of Union Minière still shows great liquidity, it is inevitable that this would be reduced as our various investments increase. This tendency should be expected to become more marked still in the future and to be accompanied by a reduction in the income from our investments. As capital investments in our field of business are not generally productive in the short term — I have already had occasion to refer to this to this meeting, it can be forecast that during the next few years the reduction in our available funds will keep pace with a more or less considerable decrease in the company's results. If however the metal market developed in a sufficiently favourable manner, the turnover in our stocks could constitute an appreciable compensatory item during the transition period which separates us from the maturity of the capital investments which have been made to secure the future.
* **Recent progress**
U.S.A.: Association to "Jersey Minière Zinc Cy" (40%)
The whole of this programme (3 mines - 2 concentrators — an electrolytic zinc factory) the cost of which is between 180 and 200 million dollars, will be financed *by funds contributed by the partners*, the cashflow of the operating mines and by recourse to leasing. For Union Zinc the investment will be considerable, because it is valued today at some 3,500 million Belgian francs.
The operation is allowing our company to obtain a foothold, with partners of quality, in the non-ferrous metal industry of a nation which remains one of the key factors in world economy.

Canada: Thierry deposit
We can count on the concentrator entering into production at the beginning of next Autumn. The present reserves of the deposit ensure a period of mining exploitation of at least ten years. This is of course a provisional figure.
A recent revision of the investment project has fixed it at 100 million Canadian $.

Mexico: Velardena project
I am happy to give you some information on the prospects opened up by the zinc-bearing deposit of Velardena, the *exploration of which was actively* pursued by our subsidiary Astumex in 1975. Proven reserves at present amount to 6.4 million tonnes of ores grading plus 6% zinc, and contain not negligible percentages of lead and silver.
However, it appears probable that this tonnage will be largely exceeded. As for the cost price of the concentrates to be produced, it should be favourably influenced by the existence of a good local infrastructure, combined with relatively simple conditions for exploitation of the mine. Other questions are still being studied. Taking account of all present circumstances, I believe that we can reasonably consider the Velardena project with optimism.

Brazil
So far as Brazil is concerned, I shall limit myself here to informing you of a recent fact concerning the copper industry. The association constituted with the Brazilian engineering company Montreal by Unienge, a subsidiary of Mechim, has obtained a large contract from Caraïba Metais, the State enterprise responsible for exploiting the vast copper deposit known as the Caraïba deposit.
This contract covers the basic engineering *for a considerable part of the* equipment for a foundry and refinery of 100,000 t metal per annum, which the Brazilian company is planning to build in the State of Bahia. You will agree that this selection is an honour for the metallurgical technology of our group. Our subsidiary Unimeta has agreed to finance the design in question and to receive, in consideration, preferential shares in Caraïba Metais. The position acquired in this way is encouraging and shows that our active presence in this country is beginning to bear fruit.

Ocean nodules
Work by Ocean Mining Associates is at present being carried on by two partners, in this case, U.S. Steel and our company. No doubt this situation is of a nature to make matters simple at the study stage. However, the high cost of research and above all the size of investments to be planned for future industrial realisation of the project have led the two partners to open negotiations with a prospective third partner.
A series of semi-industrial tests will take place at the beginning of 1977 following techniques established by Deepsea Ventures. During these tests it is hoped to collect a sufficient tonnage of nodules to permit a scheme for their hydro-metallurgical processing on a semi-industrial scale, in accordance with an original process developed by Metallurgie Hoboken-Overpelt. This will be carried out in Belgium in a pilot factory to be built by this company on behalf of O.M.A. Secondly, the resolution of problem of valorisation by pyro-metallurgical methods of the manganese contained in the nodules has been entrusted to our partner, U.S. Steel. Parallel with these various operations, market studies relating to all the metals to be extracted from the nodules are being made with the assistance of Société Générale des Minerais.

Copies of the 1975 Annual Report (in English, French, Dutch, Spanish or Portuguese) can be obtained on request from:

UNION MINIERE S.A.
Public Relations Department, Rue de la Chancellerie 1, B-1000 Brussels — Belgium. Tel: 5136090. Telex 21551.

Strong cash position at Sears Holdings

CONFIDENCE in the future and a strong cash position are reported by chairman Sir Charles Clore in his annual review of **Sears Holdings.**

Sir Charles tells shareholders that the group is dependent on an upturn in the U.K. economy, and as soon as the promised upturn comes "so shall we benefit."

"It is the long-term confidence in the future which persuades us to continue to invest in the expansion of our business wherever possible during these difficult times," he says.

Short-term deposits and cash are shown at just under £24m. as at January 31, 1976, compared with £23m. a year ago. This is stated after net expenditure of over £23m. during the year on fixed assets and investments.

Sir Charles says these substantial cash resources, and the material property interests, *assisted considerably in achieving* a reasonable outcome for the year.

As reported on May 12 with a full preliminary statement, pre-tax profits for the year ended January 31, 1976, increased from £39.56m. to £49.12m. The dividend is a maximum permitted 2.1p (1.90998p).

Provision was made at the date of acquisition of Galliford Estates for estimated trading losses of £1.2m. which were then expected to arise in the period to January 31, 1977, from certain operations of that company.

During 1975-76 it became apparent that this provision was inadequate and a further £1.41m. has been set aside out of pre-acquisition reserves, part of which arose from the recognition in 1975-76 of the tax benefit of pre-acquisition losses of Galliford. Trading losses amounting to £1.41m. have been written off against the provision in 1975-76 leaving £1.2m. for anticipated losses in 1976-77.

Contracts for capital expenditure by the group amount to £4.4m. (£9.5m.) and £6.4m. (£4.6m.) is authorised but not committed.

Meeting, the Selfridge Hotel, W., June 29 at noon.

Statement, Page 22

Jessups sees little change

Announcing first-half profit of £92,250, against £90,500, Mr A. Jessup, chairman of Jessups (Holdings), anticipates that profit for the year to August 31, 1976, will be similar to the £270,076 for

The directors consider the first-half profit to be satisfactory in view of the conditions still prevailing in the industry

An increase in turnover from £4.78m. to £6.35m. was achieved primarily in the company fleet market where competition is fierce and margins low. Although interest rates tended to reduce, the total cost of interest remains high due to the demand for funds to meet the cost of stock at ever-increasing values.

Mr. Jessup says long-term prospects are good. The quality of the manufacturers' product is constantly improving and with the heavy involvement in both Vauxhall and Ford the improvements in specification and extensions to the vehicle range are all receiving a great deal of customer acceptance.

A same-again interim dividend of 0.39p net is declared. Last year's total was 1.265p per 10p share.

	Half year 1976 £	1975 £
Net sales and services	6,750,000	4,790,000
Trading profit	250,550	194,500
Bank and loan interest	158,300	104,000
Profit before tax	**92,250**	**90,500**
Taxation	48,750	47,800
Net profit	43,500	42,700
Interim dividend	15,288	15,288

Buckley's Brewery tops £0.7m.

TURNOVER for the year to April 3, 1976, of Llanelli-based **Buckley's Brewery**, expanded from £4.11m. to £5.23m., and pre-tax profits rose from £551,645 to £712,905, after £356,558, against £279,078, for the first half.

The final dividend is 0.6974625p net lifting the total from 0.915p *to the maximum permitted* 0.9974625p per 25p share.

After tax up from £244,108 to £306,073 net profits were £406,832 compared with £307,537 including £43,029 (£29,529) from associates.

£39.658 loss by Robert Farnworth

Makers of warp knitted fabrics **Robert Farnworth**, incurred a loss of £39,658 for the year ended March 27, 1976, compared with a £66,084 profit in 1974-75. At halfway, a loss of £23,274 against a £48,181 profit was reported.

Stated earnings per share are nil (1.3p) and in view of the results and the need to conserve liquid resources, no dividends are recommended. In 1974-75 Ordinary holders received a net *interim dividend of 0.35p, but no final.*

	Year 1975-76 £	1974-75 £
Turnover	1,981,755	1,769,411
Loss	39,658	*66,084
Tax credit	26,473	†34,596
Net loss	13,185	*31,488
Pref. & Red. Pref. div.	—	2,397
Ordinary dividend	—	5,955

* Profit. † Charge.

COLONIAL MUTUAL BONUSES

The directors of the **Colonial Mutual Life Assurance Society** have announced increased bonus rates for U.K. with-profits business for 1975. The new rates per £1,000 sum assured or annual annuity are:

Endowment Assurance — an initial rate of £32 (previously £32) for policies in force less than five years, increasing with each five years duration to a maximum of £203 (previously £120) for durations of 45 years or over. Whole of Life—an initial rate of £35 (previously £35) increasing with each five years to a maximum of £206 (previously £123).

Self Employed Retirement Annuities—initial rate £40 (previously £39) increasing with each five years of duration to a maximum of £212 (previously £177).

Flexible Endowments—for the first declaration on this type of policy the bonus scale will be the same as for endowment assurances. But the company point out that there is no guarantee that this will apply in future.

The current rate of terminal bonus announced in February has been confirmed. It is 1½ per cent. for each complete policy year, excluding the first four, with a maximum of 45 per cent. for policies in force 34 years or more.

Deficit at B. S. & W. Whiteley

AFTER A profit fall from £240,721 to £8,757 at midway **B. S. and W. Whiteley** incurred a pre-tax loss of £9,029 for the full year ended March 31, 1976, compared with a profit of £681,649 for the previous 12 months.

The yearly loss per 25p share is given at 2.05p (earnings 5.92p) and there is no final dividend leaving an interim payment of 0.5p net to stand against last year's total of 2.7375p.

After a U.K. tax credit of £107,796 (charge £272,900) and overseas tax of £57,234 (£113,527) the net profit emerges down from £295,222 to £11,233. The attributable loss is £14,982 (profit £252,481) after minorities.

The company manufactures electrical insulating pressboard and multiply presspaper.

Yelverton Investments

A reduced pre-tax loss of £57,500 against £261,783 is reported by **Yelverton Investments** for the year to October 31, 1975.

Tax takes £1,315 compared with a credit of £51,101 and the attributable group loss is £70,404 (£218,791). The loss per share is given at 0.32p (3.79p) and again there is no dividend.

CEYLON & INDIAN PLANTERS

Ceylon and Indian Planters' Holdings has deferred payment of the Preference dividend for the half year ending December 31, 1976, until such time as funds are available.

Annual Statement—Contd.

COMPAGNIE FINANCIÈRE DE SUEZ

The Annual General Meeting of Compagnie Financière de Suez was held in Paris on May 25. The following is a translation of extracts from the statement made by the Chairman, Monsieur Michel Caplain at the Meeting:

Two notable events for us occurred during the early part of 1976, one of a financial and the other of a legal nature.

In finance, I shall mention the participation of 20 per cent. taken by our Company in the capital of Blyth Eastman Dillon, along with INA which holds 60 per cent. This is quite an important investment under our policy of operating on an international basis and from which we expect positive results.

On the legal side, the report drawn up by the committee presided over by President Pleven, treats the charges brought against the heads of your Company and of Saint-Gobain-Pont-à-Mousson as they deserve. The transactions which had been criticised are completely justified and it is clearly established that shareholders' interests were in no way prejudiced.

Our consolidated balance sheet is established at 93.7bn. francs against 89.4, net assets per share at 665 francs against 648, and consolidated net income at 292m. francs against 234, or 36 francs per share against 30. It should be noted nevertheless that if security transactions are disregarded, consolidated net income is 38 francs per share against 54. Indeed, the improvement in profits of our banking subsidiaries and the consolida*tion for the first time of the* results of Lyonnaise des Eaux, do not compensate the decrease in profits of Saint-Gobain-Pont-à-Mousson which, consolidated, fell from 700m. francs to 120m.

Conversely, as to our Company's own results, 1976 looks quite good.

In all, if nothing unforeseen happens, our income from financial transactions in 1976 should be slightly higher than that for 1975. It would appear therefore that our Company, thanks to its size, its diversification and its status as a holding company, has withstood the crisis well and that it is continuing to perform well in present economic conditions.

A feature of the situation today is the increasingly evident contradiction between economic revival which is asserting itself and growing psychological despondency.

Virtually everywhere economic activity is on the upturn and, in 1976, economic growth will be strong. However this in itself is not sufficient to restore the confidence of management or of investors, and the stock market is still depressed for two reasons:

Firstly, the spectre of inflation is a constant threat and it is feared that the authorities may be obliged to apply new measures which might thwart or stifle the economic revival. Then, the crisis has on the whole weakened French business more than that of its foreign competitors. Not that the depression was more severe in France than elsewhere; that was not at all the case. French firms, however, met the crisis with weak structures because of the difficulty they faced in expanding their own financial resources. Their capacity for self financing is restricted by heavy charges. Calls for outside finance are limited by the weakness and reluctance of the market.

This weakness and this reluctance are not due to lack of available funds which, in fact, are abundant. They are due to a deep division between our economic system and the political and psychological atmosphere in which we live.

In an advancing economy, which we have had until now, the prosperity of the country and its people is won through the prosperity of business. Unfortunately, however, this idea is not really admitted either by the authorities or by a large section of public opinion. And it is difficult to encourage the private sector to risk its capital in an enterprise while at the same time regarding profit as shameful, success as suspect and growth as harmful.

Personally I am convinced that if this psychology changed, or even if the authorities declared formally that they did not share it, there would be a massive investment of capital in our market.

The Report and Accounts were adopted and the distribution of a dividend of 16 francs per share payable as from June 8, 1976 against Coupon No. 32, was approved. U.K. residents are entitled to claim an "avoir fiscal" of eight francs.

All four Resolutions before the Meeting were passed.

An English translation of the Annual Report and Accounts will be obtainable later, in London from SUEZ FINANCE COMPANY (LONDON) LIMITED, 78 OLD BROAD STREET, LONDON EC2M 1SL, Tel. No. 01-588 8501 (Ext. 116, Ref. N.B.), and in the United States from Mr. C. Beillot, U.S. Representative of Compagnie Financière de Suez, 1 Chase Manhattan Plaza, New York, N.Y. 10005, U.S.A.

APPOINTMENTS

R. P. Hornby joins Halifax main Board

Mr. Richard P. Hornby is to join the Board of the HALIFAX BUILDING SOCIETY. Mr. Hornby is a director of J. Walter Thompson Company and was Conservative MP for Tonbridge from 1956 to 1974. He has been a member of the Society's London Board since April 1974.

★

Mr. David M. Bullough has joined the Board of ALADDIN INDUSTRIES as managing director. Before joining the company Mr. Bullough was with the Rank Organisation and General Foods.

★

Mr. D. Martyn Jenkins has been appointed deputy managing director of SALTER HOUSEWARES, a member of the George Salter Group. Mr. Martyn Jenkins, who is a director of two other subsidiaries of the group, retains his responsibilities as financial controller and will have overall responsibility for commercial decisions, with full responsibility for production and distribution.

★

Mr. Peter R. Allen, Mr. John D. Dorman, Mr. R. Kenneth Merkey, Mr. George A. Newell and **Mr. Peter E. Stiff** have been appointed to the Board of FIRST INTERNATIONAL BANCSHARES LIMITED in London.

★

Dr. P. E. Axon is to join the Board of GEO. BRAY AND CO.

★

Mr. Douglas C. Neill has been appointed a director of F. J. C. LILLEY.

★

The Duke of Gloucester is to be president of the 1976 ROYAL SMITHFIELD SHOW which is being held at Earls Court, London this year from December 6 to 10. The Duke, who will be Show President for the next three years, succeeds the Duchess of Devonshire. *Mr. A. V. Dodge,* sales director of Roadless Traction, is chairman of the Smithfield Show Joint Committee.

★

Mr. James S. Barber has become vice-president and manager (operations) of TEXACO PRODUCTION SERVICES in London. He succeeds **Mr. G. Morgan Bell,** who has been appointed to the newly-created position of vice-president (administration and special projects). **Mr. Bruce A. Rice,** who has been project manager for Texaco Niger Inc., will succeed Mr. Barber as district superintendent, Texaco North Sea U.K. Company, in Aberdeen.

★

Mr. John Bowden has been appointed technical director of C-CURE COATINGS, a member of the P. W. Hall group.

★

Mr. Bengt Berg and **Mr. Anthony Leavey** have joined the Board of SF AIR TREATMENT, a U.K. subsidiary of the Fläkt Group.

★

Mr. Frank Y. Thomson has been appointed to the Board of WEYROC, a subsidiary of the Swedish Match Company, and he will become director of Weyroc on September 1. Mr. Thomson is at present general manager of the Warerite division of Bakelite Xylonite.

★

Mr. W. L. Denness has joined the Board of BROOK CROMPTON PARKINSON MOTORS, a Hawker Siddeley company, as finance director. He was previously material director of Scottish Aviation, Prestwick.

★

Mr. N. B. Hewett, of AEI Cables, has been elected president of the ELECTRIC CABLE MAKERS CONFEDERATION for 1976-77. **Mr. E. P. G. Thornton,** of BICC, has been made vice-president.

★

Mr. Derek Anderson, joint managing director of Lesme, has been elected president of the COCOA, CHOCOLATE AND CONFECTIONERY ALLIANCE for 1976-77. Vice-president is **Mr. Albert Norton,** who has just completed a three-year terms as president. **Mr. Gordon Johnson** is honorary treasurer.

★

Mr. J. W. Fearnley, managing director of Archbolds Storage, has been elected president of the INTERNATIONAL FEDERATION OF PUBLIC WAREHOUSING ASSOCIATIONS.

★

Mr. Peter Snow, a director of Thomas Roberts (Westminster), and chairman of Constable Hart and Co., has been elected a director of BURT BOULTON HOLDINGS.

★

Mr. D. E. Corben has been appointed deputy managing director of THOMPSON GRAHAM AND CO.

★

Mr. Roger Beeson, media director of AYER BARKER HEGEMANN, has been elected to the Board.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Hesitant on money supply doubts

BY OUR WALL STREET CORRESPONDENT

NEW YORK, June 3.

STOCKS ADVANCED moderately at the opening to-day, but by mid-session had surrendered some of their gains as investors awaited the weekly U.S. money supply figures, due late in the afternoon.

The Dow Jones Industrial Average, up 3.28 at 11 a.m., fell back to show a gain of only 0.90 at 1 p.m. but moved ahead again afterwards. The NYSE All Common Index was ahead 9 cents at $53.42 at lunch-time, after earlier showing a 12 cents improvement.

Turnover was approximately 12.9m. shares.

Advances led declines by a five-to-four margin.

Marley Corp. rose $1¾ to $50 after $4¼ yesterday, when it reported sharply higher profits.

Superior Oil added $3 at $169, with **Phillips Petroleum** up $2 at $60⅞.

Other firm spots included **Halliburton** ahead $1⅞ to $58⅞, **Kerr-McGee** $1 up at $74, **Amax Inc.** $1 higher at $58⅞, and **Kaiser Aluminium and Chemical** up $1⅞ to $37⅞.

Gould picked up $1⅞ to $32, while heavily-traded **Cyprus Mines** cleared $⅞ to $26 on more than 180,000 shares, but **Proler International** fell $3⅞ to $44⅞ on sharply lower earnings.

Prices on the **American Stock Exchange** moved ahead slightly but then turned down. The Amex index was up 0.11 at noon, but two hours later was off 0.13.

Turnover at midsession was less than a million shares.

Presley Cos. fell $1⅞ to $11⅞ and **Houston Oil and Minerals** $⅞ to $62.

Milgo Electronics gained $⅞ to $20, though **Allied Thermal** rose $⅞ to $29—it is splitting its stock two-for-one.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Baxter Labs.	494,500	[illegible]	−1
U.S. Gypsum	236,000	[illegible]	[illegible]
Tandy Corp.	228,300	[illegible]	[illegible]
Gulf Oil	218,600	[illegible]	[illegible]
Chrysler	209,500	20⅛	[illegible]
Natomas	187,700	[illegible]	[illegible]
Sony Corp.	184,600	[illegible]	[illegible]
Gen. Motors	174,200	[illegible]	[illegible]
Exxon Corp.	142,700	102⅞	[illegible]
Cont. Oil Co.	136,200	[illegible]	[illegible]
Southern Corp.	136,200	14⅞	[illegible]

OTHER MARKETS

Canada edges lower

Prices edged higher on Canadian markets yesterday with all the sections indices except Gold—off 3.64 at 305.43—showing small mid-session gains.

Gold—off $C3.64 at $C305.43—showing small mid-session gains.

At noon Western Oils were ahead $C1.27 at $C241.42, Paper by $C0.87 at $C123.78, Utilities by $C0.46 at $C143.88, Banks by $C0.28 at $C245.29, Industrials by $C0.19 at $C191.54 and Base Metals by $C0.12 at $C88.81.

Gains of $C⅞ to $C22⅞ by **Home Oil** "A," $C⅞ to $C22 by **Aquitaine Co. of Canada** and $C⅞ to $C24⅞ **Bow Valley Industries** led the advance in oils.

National Trust was $C⅞ better at $C15⅞ on higher first-half earnings.

PARIS—Moderately higher in quiet dealings, with no obvious stimulus. Declines dominated in some sections, though, notably Banks, Publishing, Stores and Chemicals.

The day's main gainers included **La Henin, Radar, Poliet, Sagem, Prenatal, Denain, Esso, Roussel-Uclaf** and **Borel**.

Among the losers were **Locafrance, Dumez, Sal, BP, CM Industries** and **Creusot-Loire. Carrefour** fell Frs.53 to 1,925 and **Redoute** Frs.3 to 680.

Foreigns generally improved but Golds and Coppers were weak.

AMSTERDAM—Weaker in quiet conditions, with Dutch Internationals tending lower.

Akzo lost 0.9 to Fls.41.2 and **Hoogovens** 0.6 to Fls.53.4, but **Unilever** added 0.4 at Fls.122.9 and **Royal Dutch** 0.2 to Fls.130.8.

Elsewhere declines were led by **Middenstandsbank, Fokker** and **Ahold. ASV**, up 7 at Fls.120, and **Amfas** led gains.

SWITZERLAND—Prices declined for the second consecutive session, losses exceeding gains by 49-10 in brisk trading.

Ciba-Geigy (Bearer) was the main loser in Chemicals—down Sw.Frs.50—closing at 1,440.

Winterthur led Insurance losers with a drop of Sw.Frs.45 to 1,720.

BRUSSELS—Declines predominated in continued slow trend ahead of the Whitsun holiday.

In Steels **Hainaut-Sambre** improved B.Frs.20 to 2,120, but **Arbed** dipped B.Frs.10 to 4,120.

In Metals, **Union Minière** shed B.Frs.16 to 1,234 and **Hoboken** B.Frs.50 to 3,935.

Most Chemicals gave some ground, but **UCB** put on B.Frs.35 to 2,310.

Oils finished steady with **Petrofina** edging B.Frs.10 ahead to 4,980. Among easier Holdings, **Bruxelles Lambert** slipped B.Frs.10 to 1,950.

OSLO—Shippings, Industrials, Banking and Insurances were quiet; steady undertone.

VIENNA — Generally little changed.

COPENHAGEN — Mixed in active dealings.

GERMANY—Mixed, with uncertainty in the foreign exchange markets a dampening influence.

The Commerzbank index fell 4.2 to 744.5.

In mixed Banks **Commerzbank** rose DM1.50 to 188.50 and **Deutsche** DM1.40 to 287.90.

Electricals wavered, with **Siemens** moving 50 pfennigs higher to DM284.50, but **AEG** losing 10 pfennings to DM90.90.

Chemicals were mostly higher: **BASF** by DM2 at 162, **Hoechst** by DM1 at 152 and **Bayer** by DM2.50 at 136.30.

Motors were uncertain, although **Daimler** advanced DM4 to 339.50 and **BMW** 50 pfennings to DM244.50. **VW** slipped 30 pfennigs to DM135.

Machine Makers were mostly down, with losses ranging to DM4. Steels were irregular, swinging about DM3 in both directions.

MILAN—Prices closed generally weaker on the first day of trading after a national holiday.

Trading was slow, but even light sales were enough to push prices down—there were few shares available as a result of anti-speculation measures.

Banco di Roma, and **Lepetit,** were among the few gaining stocks. **SAFFA** put on L5,000 and **Snia Viscosa** L5 to L1,220.

JOHANNESBURG—Golds eased slightly after being steady in quiet trading most of the day.

Volumes were small. There appeared to be little reaction to yesterday's IMF gold auction.

HONG KONG—Substantially lower in sluggish trading.

The market opened weakly and prices continued to drop in the afternoon with substantial losses recorded by most leading stocks.

Hong Kong Bank yielded 60 cents to $HK18.30, **Hong Kong Land** 30 cents to $HK7.00, **Hutchison** 15 cents to $HK2.875. **Jardine** 90 cents to $HK19.40, and **Hong Kong and Kowloon Wharf** 30 cents to $HK16.70.

Turnover totalled $HK25.80m. ($HK36.48m.).

TOKYO.— Sustained selective buying in Motors and medium-sized shares raised the market to a new "high" for the year. The new SE Index put on 1.54 to 351.72.

Motors were in demand on good earnings reports with **Toyota** rising Y36 to Y930 and **Nissan** Y37 to Y587.

Breweries, Pharmaceuticals, Rubbers and Glass stocks attracted interest, but **Sony**—down Y10 at Y2,850—and some other Electricals which rallied yesterday, closed lower on profit-taking

Indicative of investors' preference for medium-size "blue-chip" companies, was the Y55 rise to Y588 of **Fuji Photo Film**, and the Y15 gain of **Asahi Glass** to Y372.

AUSTRALIA — Closing price changes were mixed with trading influenced by year-end book-squaring.

Early gains were often pared at the finish—the **Bank of NSW** closing was unchanged at $A6.06 after being 2 cents higher at mid-day.

Market leader **BHP** rose 10 cents to $A7.64 and **BH South** 6 cents to $A1.84, while **Hooker** added a further 4 cents to $A1.15.

Lend Lease fell 4 cents to $A2.81 and **EZ Industries** 10 cents to $A3.60.

Banks, Breweries and Retailers were slightly weaker where changed.

In Mines **Bougainville** slipped 2 cents to $A1.43 while **CRA** at $A3.00 and **North Broken Hill** at $A1.68, eased 3 cents. **AM and S. Hamersley** and **Robe River** also lost.

In Oils, **Woodside-Burmah** met further selling, dropping 2 cents to 81 cents, its lowest price this year, on disappointing drilling tests.

Pound weaker

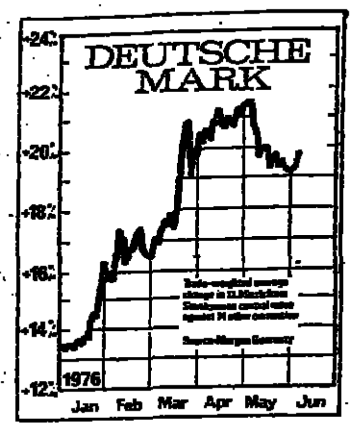
Sterling fell sharply in the foreign exchange market yesterday morning to touch an all time low against the U.S. dollar of $1.7010-1.7020, following fairly persistent light selling, which may have led to some small support by the Bank of England. The pound recovered during the rest of the morning and later in the day improved to $1.7215-1.7225, before closing at $1.7090-1.7105, a further worst ever closing level against the dollar, and a fall of 1½ cents on the day.

Sterling's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England, widened to a record low of 41.9 per cent. in early dealings, but improved to 41.4 per cent. at noon, and finished at 41.6 per cent. compared with 41.1 per cent. on Wednesday.

The pound may have gained some help from the action by the Swiss authorities to halt the rise in the value of the Swiss franc. It was reported that the Swiss National Bank made purchases of German marks and dollars following similar intervention on Wednesday. The Swiss franc closed at Sw.Frs.2.4025 in terms of the dollar compared with Sw.Frs.2.39 previously.

The dollar was generally firmer overall and its trade-weighted average depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, narrowed to 1.08 per cent. from 1.17 per cent.

Gold gained $¼ to close at $127-$127½ in steady trading, with the result of the International Monetary Fund gold auction being roughly in line with market expectations. The krugerrands premium over its gold content narrowed to 4.02 per cent. for domestic delivery and to 3.63 per cent. in the international market.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	June 2	June 1
Sterling	0.663072	0.650104
U.S. dollar	1.13982	1.14105
Belgian franc	45.3363	45.4062
Deutsche mark	2.95476	2.96349
French franc	5.40047	5.41186
Italian lire	—	964.646
Japanese yen	342.972	342.767
Dutch guilder	3.13507	3.14352
Swedish krone	5.07753	5.08211
Swiss franc	2.73587	2.78580

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington
n.a. not available.

EXCHANGE CROSS-RATES

June 3	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfu't	—	2.6815-35	54.68-72	6.609-616	4.44-46	94.16-22	107.30-50
N. York †	38.62-65	—	21.11-13	2.515-517	1.7090-80	36.42-45	41.59-61
Paris	182.65-3.05	4.730½-740½	—	11.90-93½	8.130-155	172.005-405	195.95-6.35
Brussels	15.36-39	38.77-80	8.39-41		68.28-42	14.45-48	16.48-55
London	4.41½-42½	1.7090-7105	8.07½-08½	67.90-68.40		4.69-70	4.10½-11½
Am'rd'm	106.165-215	2.746½-761½	58.055-105	6.9105-55	4.7205-55	—	114.105-155
Zurich	92.91-93.09	2.3995-4025	50.80-89	6.04-06½	4.0955-1045	87.50-65	—

U.S. $ in Montreal. U.S. $=97.76-97.78 Canadian cents.
Canadian $ in New York. C$=101.96-101.98 U.S. cents. U.S. $ in Milan 847.25-848.00
Sterling in Milan 1453.50-1456.25 † Rates for June 2 only.

EURO-CURRENCY INTEREST RATES*

June 3 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	12-14	5¼-5¾	8¼-9¼	5½-6	3½-3¾	⅜-⅝
7 days' notice	14-16	5⅝-5⅞	9-10	5½-6	3⅝-3⅞	⅜-⅞
Month	12⅛-12⅝	5⅝-6⅛	9⅜-9⅝	6-6¼	[illegible]	1⅛-1¼
Three months	12⅝-12⅞	6⅝-6⅞	9¼-9½	6¼-6½	4-4⅛	1⅛-1½
Six months	12⅞-13⅜	7-7½	9½-9¾	6½-6¾	[illegible]	2⅜-2½
One year	13⅛-13⅝	7⅝-8⅛	9⅝-9⅞	7-7¼	4⅛-4¼	3-3⅛

Euro-French deposit rate: two-day 8½-8¾ per cent.; seven-day 8½-8¾ per cent.; one-month 9½-9¾ per cent.; three-month 10½-10¾ per cent.; six-month 11¼-11½ per cent.; one-year 11-11¼ per cent.

Longer-term Eurodollar deposits: two years 8½-8¾ per cent.; three years 8⅝-8⅞ per cent.; four years 8⅝-8⅞ per cent.; five years 8⅞-9 per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5½-5⅝ per cent.; three months 6$^{5}/_{16}$-6$^{7}/_{16}$ per cent.; six months 6$^{15}/_{16}$-7$^{1}/_{16}$ per cent.; one year 7½-7⅝ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two-days' notice for guilders and Swiss francs.

GOLD MARKET

	June 3	June 2
Gold Bullion (a fine ounce)		
Close	$127-127½	$126¾-[illegible]
Opening	$127¼-127¾	$127-12[illegible]
Morning fix'g	$126.90 (£74.278)	$125.65 (£72.620)
Afternoon fix'g	$127.20 (£74.126)	$126.90 (£73.892)
Gold Coins (domestically)		
Krugerrand	$131½-132½ (£77-78)	$132-134 (£76½-77)
New Sov'r'gns	$46-48 (£27-28)	$46½-48 (£27-28)
Old Sov'r'gns	$42¼-44¼ (£24¾-25¾)	$42-44 (£24½-2[illegible])
Gold Coins (Intern'nally)		
Krugerrand	$131-133 (£76¾-77¾)	$131-13[illegible] (£76-77)
New Sov'r'gns	$46½-48½ (£27¼-28¼)	$46-48 (£26¾-[illegible])
Old Sov'r'gns	$41-43 (£24-25)	$41-43 (£24-25)
$20 Eagles	$210-213	$210-21[illegible]
$10 Eagles	$105½-108½	$105-10[illegible]
$5 Eagles	$74-77	$74-77

FOREIGN EXCHANGES

June 3 1976	Bank Rates %	Day's Spread	Close
New York	5½	1.7010-1.7225	1.7090-[illegible]
Montreal	9½	1.66 9-1.6775	1.6695-[illegible]
Amsterdam	4	4.66¼-4.71½	4.69-[illegible]
Brussels	7	67.5-68.30	67.90-[illegible]
Copenh'gen	8½	10.46-10.56	10.55-[illegible]
Frankfurt	5½	4.40-4.46	4.41½-[illegible]
Lisbon	8½	52.40-53.10	52.45-[illegible]
Madrid	†7	115.80-117.00	116.10-[illegible]
Milan	12	1,438-1,459	1,445½-[illegible]
Oslo	5	9.45-9.56	9.46½-[illegible]
Paris	8	8.04-8.15	8.07½-[illegible]
Stockholm	6	7.66½-7.69½	7.68½-[illegible]
Tokyo	6½	510-517	512½-[illegible]
Vienna	5	31.40-31.9	31.50-[illegible]
Zurich	2½	4.05½-4.15½	4.10½-[illegible]

* Base discount. ‡ Given rates are for convertible francs. Closing financial 68.65-68.95.

OTHER MARKETS

			*Notes Rates
♦Argen'na	240.19-241.59	Argentina	[illegible]
Australia	1.3961-1.4125	Austria	[illegible]
Brazil	17.95-18.15	Belgium	[illegible]
Finland	6.70-6.71	Brazil	[illegible]
Greece	62.076-63.852	Canada	[illegible]
H'g Kong	8.6950-8.5375	Denmark	[illegible]
Iran	119-121	France	[illegible]
Kuwait	0.500-0.510	Germany	[illegible]
Luxembg.	67.90-68.10	Greece	[illegible]
Malaysia	4.3865-4.3850	Italy	[illegible]
N. Zealand	1.7581-1.7745	Japan	[illegible]
Saudi Arab.	6.00-6.10	Netherl'ds	[illegible]
Singapore	4.2220-4.2570	Norway	[illegible]
S. Africa	1.4910-1.5080	Portugal	[illegible]
U.S.—		Spain	[illegible]
Canada		Switz'land	[illegible]
C$1—		U.S.	[illegible]
U.S. cents	102.35-102.38	Yugoslav'ia	[illegible]

Based on rates quoted by special de[illegible]
♦ Rate given is Official Rate. [illegible] Rate 427.79-427.99.

FORWARD RATES

	One month	Three months
New York	1.00-0.90 c.pm	2.65-2.55 [illegible]
Montreal	0.50-0.40 c.pm	1.65-1.25 [illegible]
Amst'dam	3-2 c.pm	8-7 c.pm
Brussels	25-05 c.pm	60-40 c.[illegible]
Cop'nhg'n	6½-4½ ore pm	12½-10½ or[illegible]
Frankfurt	3¼-2¾ pf. pm	10-9 pf [illegible]
Lisbon	20 c pm-20 c dis	30 c pm-[illegible]
Madrid	par-50 c. dis	50-150 c. [illegible]
Milan	10-20 lire dis	34-44 lire [illegible]
Oslo	Not available	Not avail[illegible]
Paris	1½-½ c. pm	3½-2½ c. [illegible]
Stockh'lm	4-2 ore pm	9¾-7¾ [illegible]
Vienna	30-10 gro pm	75-45 gro [illegible]
Zurich	4¼-3¼ c. pm	11½-10½ [illegible]

Six-month forward U.S. dollar [illegible] pm and 12-month 8.75-8.25c pm.

Indices

NEW YORK—DOW JONES

	June 2	June 1	May 28	May 27	May 26	May 25	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
Industrials	975.55	973.15	975.23	965.57	968.65	971.59	1,011.02 (21/4)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (2/7/32)
Home Bonds	72.16	72.28	72.20	72.36	72.55	72.55	75.60 (22/1)	69.11 (2/1)	—	—
Transport	215.99	213.44	212.96	211.55	212.02	211.99	220.91 (11/2)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	85.50	85.23	85.28	84.95	84.80	84.52	91.90 (4/2)	84.80 (26/5)	165.52 (20/4/69)	10.58 (28/4/42)
Trading vol. (000's)	16,120	13,980	16,860	15,510	16,750	18,770	—	—	—	—

	May 26	May 21	May 14	Year ago (approx.)
Ind. div. yield %	3.89	3.80	3.77	4.61

STANDARD AND POORS

	June 2	June 1	May 28	May 27	May 26	May 25	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
*Industrials	112.70	112.28	112.68	111.74	111.72	111.91	116.57 (24/3)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
†Composite	100.22	99.85	100.18	99.38	99.54	99.49	103.51 (24/3)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	May 27	May 19	May 12	Year ago (approx.)
Ind. div. yield %	3.49	3.42	3.36	3.76
Ind. P/E Ratio	13.42	13.73	13.94	10.50
Long Govt. Bond yield	5.90	5.85	5.79	5.89

N.Y. S.E. ALL COMMON

June 2	June 1	May 28	May 27	1976 High	1976 Low
53.33	53.16	53.51	52.89	55.20 (24/3)	47.66 (2/1)

Rises and Falls	June 2
Issues Traded—1,823	Up—744
Down—646	Same—433
New Highs—33	New Lows—36

MONTREAL

	June 3	June 2	June 1	May 31	1976 High		1976 Low	
Industrial	—	201.70	201.52	200.99	207.65	(19/5)	176.52	(2/1)
Combined	—	194.66	195.02	194.48	199.76	(20/5)	175.67	(2/1)
TORONTO Industrial		191.55	191.45	190.95	197.46	(20/2)	175.01	(2/1)
JOHANNESBURG Gold		214.0	214.5	209.1	226.7	(12/5)	174.4	(5/4)
Industrial		211.2	211.8	211.2	215.0	(21/5)	198.5	(5/4)

	June 3	Pre-vious	1976 High	1976 Low
Australia (a)	466.65	466.45	[illegible]	[illegible]
Belgium (b)	99.55	99.46	117.15	98.38
Denmark (c)	110.15	109.75	110.15	[illegible]
France	68.5	69.3	[illegible]	[illegible]
Germany	744.5	748.7	821.7	[illegible]
Holland	92.6	93.3	[illegible]	[illegible]
Hongkong	[illegible]	396.92	[illegible]	[illegible]
Italy	[illegible]	76.77	[illegible]	[illegible]
Japan	351.72	350.18	[illegible]	[illegible]
Singapore	254.39	255.25	[illegible]	[illegible]
Spain	91.16	91.68	[illegible]	[illegible]
Sweden	451.50	454.04	[illegible]	[illegible]
Switz'rl'd	275.9	279.1	[illegible]	[illegible]

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10; (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73 (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73 (m) Tokyo New SE 4/1/68 (n) Straits Times 1966 (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58 (r) Swiss Bank Corp. 31/12/58 (u) Unavailable. ‡ Excluding bonds. * 425 Industrials. † 425 Inds., 50 Utilities and 25 Rails. (c) Closed.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—120½% (123½%).

NEW YORK

Stock	June 2	June 1
Corning Glass	70½	70
CPC Int'nation'l	41½	42
Crane	31⅞	30⅞
Johns Manville	27⅞	27
Johnson Johnson	86	86
Johnson Control	21¼	21
Republic Steel	37¼	37⅛
Revlon	75½	75
Reynolds Metals	36⅞	35⅞
Zenith Radio	32⅜	32½
U.S. Treas 4% 1980	90	90
U.S. Treas 4% 1980	‡89¼	‡89¼
[illegible]	[illegible]	[illegible]

[The remaining New York share listings (Abbott Labs. through Cooper Indus., and further columns), and the CANADA, GERMANY, PARIS, AMSTERDAM, MILAN, BRUSSELS/LUXEMBOURG, SWITZERLAND, COPENHAGEN, VIENNA, AUSTRALIA, TOKYO, STOCKHOLM, OSLO, JOHANNESBURG and SPAIN tables are illegible at this scan resolution.]

GERMANY ♦

June 3	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	90.9	−0.1	—	—
Allianz Versich.	405	−2.5	17	2.1
B.M.W.	344.5	+0.5	18	3.9
BASF	162	+2	14	4.4
Bayer	136.3	+2.5	17	6.0
Bayer Hypo.	279m		20	3.6
Bayer Vereinsbk.	284	−2	20	2.9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

June 3	Price Lire	+ or −	Div. Lire	Yld. %
Anic Priv.	600	−60	—	—
ANIC	579	−1.5	60	
Assicur Fin.	3,670	−30	120	3.7
Bastogi	900	+2	70	8.6
Breda	1,620	4	150	9.2
Burgo	9,25[illegible]	−30	200	2.3
Cantoni	6,250	45	200	3.9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

June 3	Aust. $	+ or −
Acrow Australia	†0.76	
Adelaide Brighton Cement	†1.16	−0.01
Allied Mills Ind. Indus. $1	†1.65	+0.05
Ampol Exploration	†0.90	
Ampol Petroleum	†0.65	
Assoc. Minerals	†3.4	+0.10
Assoc. Pulp Paper $1	†0.68	
[illegible]	[illegible]	[illegible]

JOHANNESBURG

MINES

June 3	Rand	+ or −
Anglo American Corpn.	4.75	
Charter Consolidated	3.35	
East Driefontein	12.50	
Elsburg	2.07	
Harmony	[illegible]	
Kinross	[illegible]	
Kloof	7.75	
St. Helena	[illegible]	
[illegible]	[illegible]	[illegible]

PARIS

AMSTERDAM

BRUSSELS/LUXEMBOURG

SWITZERLAND ♦

COPENHAGEN

VIENNA

TOKYO ¶

STOCKHOLM

OSLO ♦

SPAIN ♥

CANADA

FARMING AND RAW MATERIALS

Windwards bananas face 'ruin'

By Our Own Correspondent

PORT OF SPAIN, June 3.

THE BANANA industry in the Windwards Islands — faces economic ruin if governments of the non-independent Caribbean associated states, which use the Eastern Caribbean dollar, follow Trinidad and Tobago's example and align with the U.S. dollar on a revalued basis.

Banana prices are denominated in sterling so that revaluation of the Eastern Caribbean dollar, against the U.S. dollar, would mean a loss of "millions of dollars to the Windwards banana industry," according to a spokesman for the Windwards Islands Banana Growers' Association.

"It could even mean the possible collapse of the industry, which supplies 31 per cent. of the British banana market," the spokesman said.

Australian wool price base to change

CANBERRA, June 3.

MR. IAN SINCLAIR, Primary Industries Minister, said the Australian Wool Corporation would base its reserve price on the average price of clean wool from the start of the 1976-77 season.

The AWC had recommended the change from using 21 micron clean as the base because this type represented a very small percentage of the Australian clip.

The Government would announce the new reserve price level of clean wool after this selling season closed on June 30, said Mr. Sinclair, but the 250-cent minimum on 21 micron wool would continue through the next season.

In Sydney, Mr. Justice John Moore, Conciliation and Arbitration Commission president, granted wool storemen and packers a SA6-a-week wage rise.
Reuter

U.S. FERTILISER EXPORTS DROP

WASHINGTON, June 3.

U.S. exports of fertilisers in the first six months of this year were expected to be below those in the first half of last year, said the Commerce Department.

Actual exports, plus contracts for exports, during the January-June period total 332,061 tons of nitrogenous fertilisers and 775,501 tons of phosphates. Exports in the corresponding period of last year amounted to 601,858 tons of nitrogenous and 897,180 of phosphatic.
Reuter

Less reaction to sterling in commodity markets

BY JOHN EDWARDS, COMMODITIES EDITOR

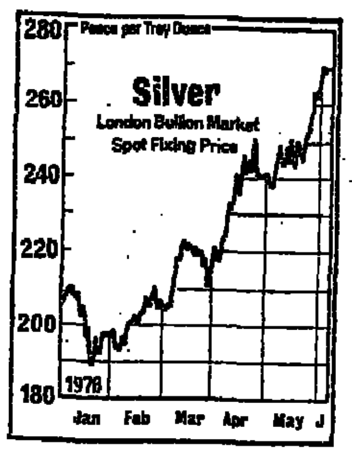
STERLING REMAINED the main talking point in London's commodity markets yesterday, but there were further signs that fundamental supply-demand influences are playing an increasingly important part in influencing prices.

On the London Metal Exchange, copper prices closed only slightly higher as a result of a late recovery, recouping earlier losses.

The general impression, among consumers in particular, is that the London copper price has over-reacted to the decline in sterling. There is, therefore, no justification for prices being marked up automatically, especially in view of the continuing abundance of supplies and with surplus stocks still rising.

Nevertheless, there is little incentive to sell in view of the uncertainty surrounding sterling, and any decline in values is halted by renewed buying interest at lower levels.

Tin values reached new records in London yesterday, despite a slight fall in the Penang market overnight and reported selling by the buffer stock of the International Tin



Agreement. Cash tin closed last night, £37.5 up, at £4,432 a tonne.

Silver prices were lower in early trading, as a result of heavy profit-taking by speculators, and the bullion market spot quotation was reduced by 1.2p, to 269.6p an ounce, at the morning fixing.

It was claimed that small, but steady, sales of Indian silver were putting pressure on prices, although there was good buying at the lower levels.

There was little reaction to the sale of 500,000 ozs of reclaimed silver by the U.S. Defence Department, which were all taken up at prices close to current market levels. In later trading, however, a higher opening in the U.S. market brought a sharp recovery in London, the spot price rallying to 274p and three months quotation reaching a two-year peak of 282.7p before easing slightly.

In the "soft" commodity markets, cocoa and coffee both ended higher, but only after showing considerable uncertainty over sterling.

Early gains in cocoa were wiped out in morning trading, but the market rallied strongly in the afternoon, the September position closing £23.5 higher, at a new peak of £1,160.5 a tonne. There was a similar pattern in coffee, but the September position ended only £13.5 up, at £1,456 a tonne.

The Bradford wooltops quotation registered a big jump of 8p, to 262p a kilo, reflecting the decline in sterling and a firmer tone at the Australian wool auctions.

New fall in world sugar prices

BY OUR COMMODITIES EDITOR

WORLD SUGAR prices fell again in London yesterday, despite the decline in the value of sterling.

The London daily price for raw sugar was cut by £2, to £182 a ton, the fourth consecutive reduction from £191 a week ago. On the futures market, the October position closed £3.5 lower, at £185,825 a ton.

Dealers claimed that, but for sterling, market prices might have fallen further in view of the generally "bearish" outlook, reflected in a sharp decline in New York market values in early trading.

The sale by the Dominican Republic of 325,000 tonnes on a price-fixing basis unsettled the market, arousing fears that the agreement among certain big can sugar exporting countries to hold off the sellin of surplus may be cracking.

Authorisation of the sale of 40,460 tonnes of white sugar by the EEC Commission was a rather larger quantity than expected, and there were further reports yesterday of Japan seeking to cut back contracted shipments from Australia.

In the longer term, recent rainfall in Britain and other European countries has also affected market sentiment. Given average yields, the EEC crop could bring a huge surplus next year, which would have to be disposed of at regular weekly tenders of about double the size of this year's sales.

Prospects so far in most other major sugar growing areas look reasonably good, with a recovery expected in the poor Brazilian crop.

Hopes are high, meanwhile, for an agreement between the EEC and the African, Caribbean and Pacific cane suppliers, when they resume negotiations to-day on the price to be paid for 1976-77 imports.

Mr. Pierre Lardinois, the EEC Commissioner for Agriculture, was given more room for manoeuvre at the last farm Ministers meeting, and there are signs also that the ACP countries are willing to make concessions.

The EEC offer, based on Units of Account, is now more attractive in sterling terms. The decline in world market prices and the improved outlook for European beet crops may persuade the ACP countries that it is no longer worth holding out for further concessions.

Brazil coffee crops still free of frost

RIO DE JANEIRO, June 3.

MINIMUM OVERNIGHT temperatures in North Paraná's coffee areas were again around 10C and clear skies of the past few days were giving way to cloudy weather, trade sources said.

So far this year there had been no sign of frost in Brazil's coffee areas.

Temperatures below freezing point had been recorded in places such as Campos de Jordao in east Sao Paulo State and Maria da Fe in southern Minas Gerais. These towns were all on high ground, well above the coffee plantations, however, where frost was quite normal in June.
Reuter.

Cheaper bacon next week

By Peter Bullen

BACON PRICES will drop by 3p to 5p a pound in the shops next week, following cuts in first hand prices announced yesterday.

The move downwards has taken the trade by surprise. As usual, the Danes led the field with a £50 cut in their price which had remained at £960 since the beginning of April.

Lack of demand and disappointing bacon sales in recent weeks were the prime reasons for the reduction to £910. British bacon was reduced by £40 a ton, to £880, and Ulster and Irish were cut by the same amount to £870 a ton.

In the shops this should lead to retail prices falling by 3p to 4p a pound for middle rashers and by 4p to 5p a pound back rashers. Trade sources say this should pep up sales, but they are sceptical about how long prices can remain at the lower levels in view of the effects on imported supplies of the fall in sterling and the growing firmness in the pork market, which will tend to push up bacon prices as well.

No chance in retail pork prices are expected this weekend, according to the Department of Prices and Consumer Protection's weekly report, but hindquarter cuts of beef may be up to 4p a pound dearer.

New Zealand lamb prices are also unlikely to rise, despite a slight firming in wholesale prices over the past week. A strong demand for their product, linked with a delay in shipping, had led to stock tumbling to an unprecedented level for a peak sales period of only 13,600 tonnes, the NZ Lamb Information Bureau said yesterday.

Paris soyabean meal market to reopen

PARIS, June 3

THE FRENCH Soyabean meal futures market would reopen on June 9 to cater for increased European demand and facilitate arbitrage deals with Chicago, a Bourse de Commerce spokesman said.

The market was being relaunched with modified rules, but the same basis of quotation. It originally opened on March 15, 1967, but since October 1968 had remained open only nominally due to lack of trading interest.

FRANCE

A country where farmers count

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE PROBLEMS of wine growers of the Midi in southern France have been well publicised. Imports of Italian wine were said to have caused their ruin, and a series of demonstrations by farmers culminated in an illegal—in Common Market terms—imposition by the French Government of a duty on Italian wine imports.

This campaign succeeded in getting the Community to take further responsibility for turning surplus wine into industrial alcohol. For the moment the turmoil has subsided to a steady grumble.

During all the fuss, however, another crisis arose, not among the producers of cheap red wine, but among those who make the wine distilled into brandy or cognac, an industry based on the town of that name in the Charente area north of Bordeaux.

Farmers there say they can't sell their wine, that the big cognac houses won't pay enough and that private farmers, who do their own distillation, have lost their markets.

They are joined by others in the Gironde region, further south, who find that their white table wines are not making the money they think they should. Such has been the pressure from these growers that Brussels is now going to bail them out with a further distillation programme.

The price offered for this distillation is not considered generous, about 80 per cent. of the figure fixed as a minimum between growers and merchants. But in the circumstances, there seems to be no alternative.

Brandy demand

The growers seem to be at fault this time for over-production, which appears to have been based on future market prospects that have failed to materialise.

Farmers I talked to said "serious people in the cognac industry," had recommended at the end of the 1960's that the acreage of vines in that region should be expanded. Each grower's acreage was limited by quota and some 25,000 hectares (60,000 acres) were allocated.

Many growers, it was said, cheated by adding to their quotas or buying quotas from growers outside the particular area. They had behaved as farmers do everywhere when they think they are on to a good thing.

However, the consumption of brandy failed to match the increased production potential, partly due to the recession, but also in no small measure to fiscal policies of countries like Britain, where successive Chancellors of the Exchequer have been taxing wine and brandy out of the reach of the ordinary man.

This is not the view only of the disgruntled French farmers I met. When I was last in Brussels, Mr. Pierre Lardinois, the EEC Agriculture Commissioner, told me that the French wine crisis would never have arisen had it not been for the taxation policies of other member governments.

Bitterness

There have been demonstrations in Cognac, but they were much gentler affairs, apparently the violence of the Midi. One grower told me that many of them are of British origin: Aquitaine was once part of the Kingdom. The British, he said, "don't take to violence as readily as the Mediterranean peoples."

In spite of this rather phlegmatic approach, however, a good deal of bitterness simmers just beneath the surface.

Planted acreages are being checked, using aerial surveys. Those found to have exceeded their quota will be ordered to destroy the extra, and doubtless there will be plenty willing to assist the authorities to see that this is done.

Problems brought about by this over-production are likely to go on for some time and would, I was told, weigh particularly heavily on small farmers whose main income was from wine.

The Charente makes good farming country; a mixed farmer with maize, cows and beef cattle, as well as vines, can survive quite well. There has been a considerable enlargement of farms. Most of the younger men seem to have secured several times the acreage farmed by their fathers, either by renting or buying.

Even so, holdings remain small by British standards: 1000 acres would be a large holding, but 70 acres would support a man and his wife with say 15 dairy cows, some beef cattle and maize, or other grain and vines. This would be perhaps three times the size of the farm his father had.

Farm sizes

There do not seem to be any pressures to increase the size of farms, indeed the emphasis could be in the opposite direction.

At a recent farming conference, the Minister of Agriculture, M. Bonnet, is said to have accepted a resolution which would, if put into law, restrict the size of various types of farm enterprises. It proposed a limit of 120 sows, 30,000 laying hens, 150 head of beef cattle and so on—units which could be satisfactorily managed by a man and his family.

This control would be exercised through local planning authorities, probably as part of a sort of environmental control. The underlying implication seems to be that rural depopulation is going on just fast enough, and that there is no advantage in accelerating it.

In France it is already difficult to secure land for extending a farm, or to start a new one, if the combined holding is likely to be bigger than is judged suitable for the region.

It is also almost impossible for a foreigner, or a non-farming Frenchman for that matter, to buy a farm of any consequence. Even if he buys it on the open market, he will still have to submit to the judgment of an official body to obtain permission to complete the purchase and occupy it.

If he obeys all the rules, he could still find the going hard. Eastwoods, the British broiler firm, attempted to take over an existing hatchery in northern France to start a laying flock of 450,000 birds. According to "Le Monde," it secured all the requisite consents and even the blessing of the local authority where there was considerable unemployment.

But once the farming industry heard of the project, they created such a fuss that the whole idea will probably be dropped. Farmers count in France.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Higher on balance after moving erratically on the London Metal Exchange. Values were steady on the pre-market with currency hedge buying being offset by the lower trend in overnight U.S. markets. In the Rings, however, stale bull liquidation and profit-taking caused a reaction in prices, forward metal falling from £890 to £875, although it hardened to £878 on the kerb

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or — †
	£	£	£	£
Wirebars				
Cash	844.5-5	—18.5	858.5-9.5	+5.5
3 months	875.5-6	—17.5	889-.5	+2.75
Settlem'nt	845	—18.5		......
Cathodes				
Cash	837-.5	—19½	860-2	+4.5
3 months	867-.5	—19½	880-2	+4.5
Settlem'nt	837.5	—19½		......
U.S. Smt.	......	......	*70	......

owing to fresh covering. In the afternoon prices rose afresh on further speculative demand, forward metal again rising to £890 before easing modestly to end at £886.5 on the Kerb. Turnover 27,950 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £845, 44.5, 45, early September £877, three months £877, 78, 77.5, 78, 79, 80, 79, 78, 77, 78.5, 77, 76. Cathodes: cash £838, 37, three months £866.5. Kerb: Bars: three months £876, 77, 78. Afternoon: Wirebars: Three months £884, 83, 84, 85, 86, 87, 88, 87, 87.5, 88, 89, 90, 91, 90, 89, 89.5. Kerb: Bars: three months £888, 87.5, 87, 86.5, 87.

TIN—Gained further ground. Prices opened higher, owing to the continued weakness of sterling but subsequently eased on profit-taking and selling which was thought to have been on behalf of the buffer stock manager. Forward standard material eased from £4,550 to £4,535 on the kerb but rallied afresh in the afternoon owing to speculative demand which took the price up to £4,567 before it eased modestly to close at £4,565 on the kerb. Turnover 1,230 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or — †
High Grade £				
Cash	4412 5	—24	4450-5	+37.5
3 months	4537 45	—25	4565-70	+37.5
S'ment	4415	—25		......
Standard				
Cash	4412.5	—24	4450-5	+37.5
3 months	4537 40	—25	4565-7	+38.5
S'ment	4415	—25		......
Straits E.	‡$1166	—1½		......
New York	......			......

Morning: Standard: Three months £4,540, 50, 53, 54, 45, 40. High Grade: Early June £4,435. Kerb: Standard: Three months £4,535, 33. High Grade: Mid-June £4,420. Afternoon: Standard: Cash £4,428, 30, three months £4,550, 60, 65, 63, 65, 68, 67. High Grade: Mid-June £4,445, late June £4,450. Kerb: Standard: Three months £4,567, 65. High Grade: Cash £4,437, 35.

LEAD—Unchanged on balance. Forward metal opened higher at £276 on currency hedge buying and following influential demand but then eased on profit-taking before rallying in the afternoon to close unchanged. Turnover 3,625 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or — †
	£	£	£	£
Cash	263-.5	—3.12	265-6	......
3 months	273-.5	—3.62	275.5-6	......
S'ment	263.5	—3		......
N.Y. Spot	—	......		......

Morning: Cash £263.5, three months £276, 74, 73.5, 73. Kerb: Three months £273.5. Afternoon: Three months £274, 74.5, 75.5, 76. Kerb: Three months £275.5, 76.

ZINC—Lost ground. Values rose initially in line with other metals but then fell away following substantial stop-loss selling and pricing operations. After opening at £449, forward metal fell to £440.5 before recovering to end at £446.5 on the afternoon kerb owing to the fresh fall in sterling. Turnover 6,075 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or — †
	£	£	£	£
Cash	423.5-4.5	—8.75	429.5-30.5	—2
3 months	440-.5	—8	446-.5	—2.25
S'ment	424.5	—8.5		......
Prm. West		......		......

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

Morning: Three months £445, 44, 44.5, 42, 41, 40.5. Kerb: Three months £441.5, 41.25. Afternoon: Cash £427, three months £443, 43.5, 44, 47, 46, 46.5. Kerb: Three months £446.5.

SILVER

Silver was fixed 1p an ounce lower for spot delivery in the London bullion market yesterday, at 269.6p. U.S. cent equivalents of the fixing levels were: spot 483.7c, down 1.2c; three-month 471.7c, down 0.6c; six-month 479.2c, down 0.7c; and 12-month 496.3c, unchanged. The metal opened at 271½-272½p (466-468c) and closed at 273.7-274.7p (469-470c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	269.6p	—1.0	273.75p	+5
3 months	278.2p	—0.8	281.9p	+4.8
6 months	286.2p	—0.8	......	
4 months	......	......	282.75p	+5.25
12 months	303.2p	—0.8		

LME—Turnover 398 (334) lots of 10,000 ozs. Morning: Three months 279.0, 77.8, 78.0, 78.5, 78.8, 78.9, 79.0, 79.3, 79.5, 79.3. Kerb: Three months 278.5, 79.0, 79.3, 79.4. Afternoon: Three months 282.5, 82.5, 82.7, 82.5, 82.3, 82.0, 81.9, 82.0, 82.1, 82.0. Kerb: Three months 282.4, 82.5, 82.3, 82.2, 82.1, 82.0.

FREIGHTS

DRY CARGO—Limited N. American grain chartering included heavy grain from Great Lakes/Hamburg range at $18 f.i.o. and from same loading area to Venezuela at $17.35 f.i.o., both with June loading.

A 12,000 ton cargo of soyabean meal from U.S. Gulf to Poland was arranged at a lump sum of $217,500 f.i.o. in June, while a similar cargo was covered from the Gulf to French Atlantic at $135,000 f.i.o., also in June. Other grain business included wheat from S. Australia to Venezuela at $16.50 free discharge, both in June

Ore operators covered a cargo from Seven Islands to U.S. Northern Range at $2 f.i.o. for July, while sulphur from Umm Qasr to India paid $9.25 f.i.o. for June.

COCOA

Prices fluctuated over a broad range throughout the day, with currency again a major feature. Most positions closed at new highs, with renewed buying on the close, reports Gill and Duffus.

[illegible]

COFFEE

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

GRAINS

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

JUTE

[illegible]

VEGETABLE OILS

[illegible]

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scottish killed sides 40.5 to 44.0; English hindquarters 52.0 to 54.0, forequarters 30.0 to 32.0; Ulster hindquarters 52.0 to 54.0, forequarters 29.0 to 31.0; Eire hindquarters 52.0 to 54.0, forequarters 30.0 to 31.0.

Veal: English fats 46.0 to 52.0; Scottish [illegible]

COTTON

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated

[illegible]

INDICES

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

[illegible]

U.S. Markets

Soyabeans fail to hold gains

NEW YORK, June 2.

SOYABEAN action to-day was erratic due to inability to maintain yesterday's gains and for July to trade at 6.00 or higher. Coffee closed strong on Trade buying. Sugar was weak on Trade selling and Commission House liquidation on poor tender price by Thailand. Gold was strong on continued short-covering in front of IMF auction results which also held silver steady, Bache reports.

Cocoa—Ghana spot 106 (106). Bahia spot 102½ nom. (103½ nom.). July 94.65 (95.35), Sept. 86.90 (87.65), Dec. 76.85, March 72.60, May 69.50, July 67.20, Sept. 65.15. Sales: 1,424.

Coffee—"C" Contract: July 140.60-140.40 (140.20), Sept. 140.20-139.80 (138.30), Dec. 133.0-130.50, March 130.25-130.35, May 129.25. Sales: 843.

Copper—June 67.30 (69.20), July 68.00 (69.70), Aug. 66.40, Sept. 69.00, Dec. 70.50, Jan. 71.00, March 71.60, May 72.60, July 73.30. Sales: 7,500.

Cotton—No. 2—July 68.90-69.00 (66.13), Oct. 69.90-67.00 (69.05), Dec. 68.60-68.80, March 68.55, May 69.15, July 66.00-67.00, Oct. 65.00. Sales: 5,850.

φGold—June 129.90 (125.10), July 130.60 (129.60), Aug. 131.20, Oct. 132.70, Dec. 134.40, Feb. 135.90, April 137.50, June 139.10, Aug. 140.70, Oct. 142.40. Sales: 2,291.

Greasewool—Spot 177.00 nom. (187.00), July 173.0-197.5 (173.0), Oct. 172.0-179.0 (174.0), Dec. 172.0-180.0, March 172.0 bid, May unq.

†Lard—Chicago loose 16.00 nom. NY prime steam 18.00 asked (17.50 asked).

††Maize—July 292½-293 (291½), Sept. 261½-262 (263), Dec. 271½-272½, March 279½, May 284½.

†Platinum—July 163.90 (same), Oct. [illegible]

The Dock Work Regulation Bill has made no friends outside the TGWU and has yet to face a possible row during its final passage through the Commons. **Christian Tyler** outlines the effects of the new legislation on jobs and investment in the affected areas.

The problematic bill of the Docks Bill

MEMBERS OF PARLIAMENT are on holiday this week nursing injuries received after the Government's one-vote procedural victory with the Bill to nationalise the shipbuilding and aircraft industries. When they return next week it will be to plunge into another bruising encounter: the Third Reading of the no less controversial Dock Work Regulation Bill.

Widely advertised on the Conservative side as Mr. Michael Foot's "thank you" present to Mr. Jack Jones of the Transport Workers for delivering TUC acquiescence to wage restraint, this measure has made no friends outside the Transport and General Workers' Union whose docker members it is largely designed to help.

That is not to say that MPs will again come to blows—unless of course, as was hinted last week, an attempt is made to get the Dock Bill labelled a hybrid measure too. On the contrary, the forecasts are that, for all its unpopularity and the lack of a Government majority in the House, it will survive a Third Reading and move onto the Lords.

Navigable

The Bill is an enabling measure to extend the rights of registered dockers to most cargo-handling work carried out within five miles of the sea or inland waterways navigable to ships above a specified tonnage. Superficially the aim is simple —to give back to dockers work, which because of technological change and price competition, has moved away from the quayside and has hastened an already steep decline in their numbers.

In practice, it is not as easy as that. Other trade unions with members in the cold stores, container depots and warehouses have raised an outcry and compelled the Government and the TGWU itself to make plain that no-one will lose his job when the Bill becomes law. During the long Committee Stage just ended—36 sittings in all—the Government put down two sets of amendments to deal with trade union and Opposition objections that the livelihoods of non-dockers were in danger.

The net result is that there will be no wholesale switching of jobs when the Bill becomes law. If work within the five-mile corridor is classified as dockwork, the workers will become registered dockers—initially on a subsidiary register. To-day's 31,000 registered dockers, of whom perhaps 15 per cent. are without work on any one day, will only be able to move in as vacancies arise.

This is the point upon which the Opposition has seized in recent weeks. Here, they say is a measure designed to end the strife in dockland; but when the dockers realise that scarcely a job will come their way for a year or more they will take to the streets, mount their pickets and shout that they have been cheated.

This argument, like hundreds of others deployed against the Bill since it was published last December, is angrily dismissed by the dockers' own spokesmen as a misunderstanding of what the Bill is about.

One of London docks most feared militants explained it like this. "We are not about nicking people's jobs. What we are about is to share some of our successes to make sure we have a stable industry that is going to serve this country. It's not our policy, and never has been, to push other people out."

His aim he says, is to get rid of what he calls the "fly-by-night gangsters, the street-corner and railway-arch mob" who have set up shop away from the dockside to escape the present labour scheme. He says the Bill will re-establish the aims of the original 1947 Dock Labour Scheme which has been eroded by lack of a central definition of dockwork and by tribunal judgments which have opened all kinds of holes in the system.

Defensive

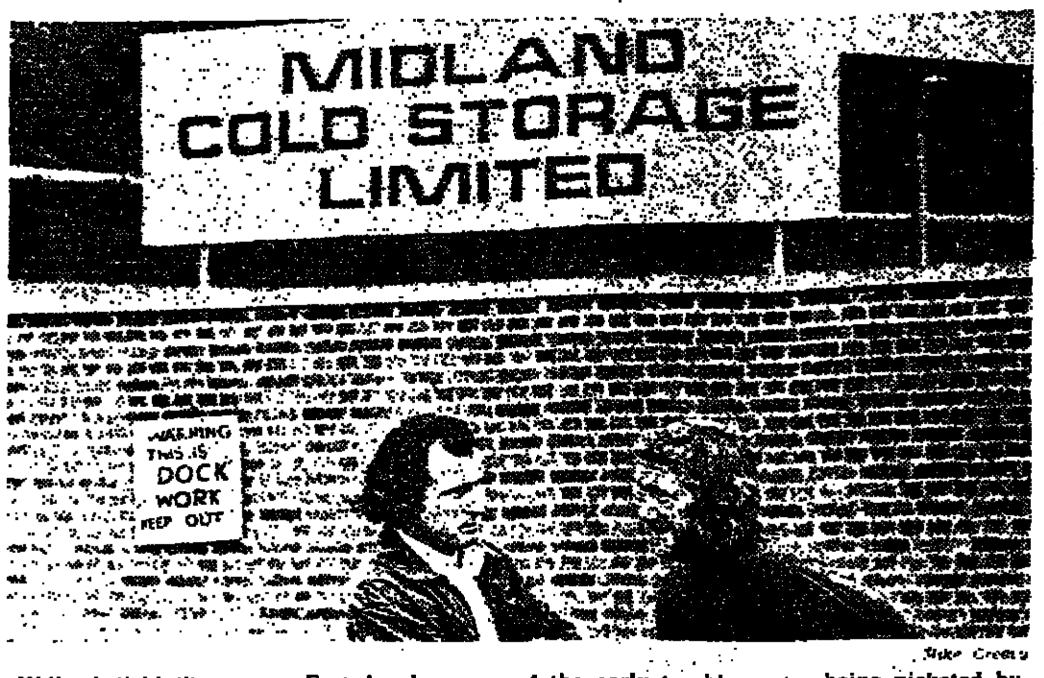
But explanations like these from the TGWU, and the largely defensive statements from Government Ministers inside the Bill's Committee, have been all but drowned.

So great was the chorus of protest against the Bill at the beginning of the year that many thought it would emerge from the Committee as the palest shadow of its former self. The Conservatives think that they have substantially weakened it, but their supporters outside the Commons say they are very disappointed at how little the Government has really moved despite the "magnificent efforts" of the Conservative team.

Opposition MPs have probably never been better briefed on a measure. Before the committee began the CBI called together all the trade associations — importers, port employers, cold store and warehouse owners, retailers, road haulage operators—to draw up amendments. Every Tuesday and Thursday, when the committee sat, there were supplementary briefings in the corridors of Westminster. It was not only present and possibly future employers of dock labour who converged on the Commons. A number of shop stewards called on Mr. James Prior "shadow" Employment Secretary and leader of the Conservatives' Committee team, to press for exemptions for their members.

Some vivid pictures had been conjured up by the trade associations by then — mobs storming food warehouses locked up by picketing dockers, Britain at starvation point within a matter of weeks, dockers roaming the countryside to muscle in on cargo work a hundred miles from the sea.

Mr. James Prior (left), Shadow Employment Secretary, and Mr. Albert Booth, doughty defender of the Dock Work Regulation Bill.



Midland Cold Storage in East London—one of the early trouble spots—being picketed by TGWU dockers in 1972.

Field day

Inside the Committee the Conservatives had a field day, driving home the more serious objections like the cost burden that would fall on the small ports brought within the scheme, and the consequences of greatly extending a register of dockworkers after millions of pounds had been spent in reducing it by voluntary severance.

Under the Dock Labour Scheme a man cannot be sacked, except for extreme misconduct. If there is no work for him, he has to be retrained and paid, unless he takes voluntary severance pay, which averages about £5,000.

Severance pay

Dock work employers must pay a 12½ per cent. levy on their pay-roll. Of this, 4½ per cent. is a contribution to the severance scheme and 5 per cent. is for pensions.

Labour MPs got some enjoyment out of the proceedings too, as when Mr Nicholes Ridley, for the Opposition, rose languidly to his feet to suggest that since the five-mile cargo-handling zone cut through part of Heathrow Airport, dockers would presumably be seen clumping up and down aircraft dispensing drinks to passengers. But for some on the Government side the attack at times became too colourful. After one session, Mr. Eddie Loyden, a former dockworker from Liverpool and a TGWU-sponsored MP, complained that if the Conservatives continued exaggerating the Bill's effects much longer there would be serious disputes down in dockland.

Much of the Government's defence was conducted by Mr. Albert Booth until he became Employment Secretary, and he repeated that the Bill contained many criteria for defining what would and would not be dockwork. Any operation within the proposed five-mile zone covered by the Bill would have to pass all the tests before being declared dockwork. His place was taken by Mr Harold Walker, now the Minister of State at Employment who adopted a more canny air but was no easier to move.

There are still uncertainties however, and the Government is expected to put down some more amendments for the Report Stage of the Bill to the Commons. The early threat of a revolt by union-sponsored MPs before the Second Reading—passed, in the event, by eight votes—has now been removed. Only one of the unions involved, the Union of Shop, Distributive and Allied Workers, is still showing signs of unease.

USDAW's fears

USDAW has many members in warehousing and is worried that workforces could become split, with some men newly registered as dockers and others continuing as they are. The design of Government amendments introduced during the Committee Stage is to ensure that no worker is forced into the TGWU—one of the chief fears of other unions—and that established collective bargaining arrangements are not changed, even if the workers become "dockers." But USDAW is looking for still more specific protection, especially in places where the bulk of the work done would not fall under the new definition of dockwork.

Others happy

Other unions, like the General and Municipal Workers, and the National Union of Railwaymen appear largely satisfied that their objections have been met. The forum for this inter-union treaty was the TUC Transport Industries committee, chaired by Mr. Jack Jones, which produced a list of amendment for Mr. Michael Foot, then Employment Secretary, to work into the Bill.

But employers are far from happy. They complain that all their submissions since the time of the original consultative document in March last year have been ignored. The only concessions they say have been to workers to get the Government out of its troubles with union-sponsored MPs.

Employers' fears are as strong as ever. They see the extension of the Dock Labour Scheme with its special rules and pay roll levy bringing many small ports presently outside the scheme to the brink of bankruptcy. Many smaller operations could be forced to close, and the unsackable "surplus" dockers would then have to be absorbed by still-viable concerns. Their price-competitiveness with Continental ports would suffer further and the cost of imports—particularly food—would rise. Behind all this is the deeper fear of docker militancy spreading further down the supply chain to the point where a strike at one port would be enough to bring the whole industry to a stop. Wages are not bothering those employers who already pay their workers as much, and in some cases more than the average pay of registered dockers.

Hammer on nut

The Conservatives, meanwhile, have been presented with something of a tactical dilemma. They have argued for, and won some extra protection for non-dockers in the name of good industrial relations. But now they will have to explain that that does not make the Bill a good one and that their opposition to the principle of extending what they regard as archaic statutory protection enjoyed by dockers alone runs as deep as ever.

One of the Conservative protagonists in the Committee, Mr. Leon Brittan, is convinced that the Bill will cause more strikes than it will solve, arguing that the Government has taken a legislative hammer in order to crack an industrial relations nut.

Those involved in dock disputes, especially the fierce confrontations in London around cold stores and container groupage depots, may not agree that the problem is that small. There have been plenty of Government inquiries and reports but little real advance of the kind the dockers themselves want. As one London TGWU official argued last week, the recommendations of the Jones-Aldington Committee in 1972 for extending the dockers' preserve had brought back only 300 jobs nationally while thousands more men had left the industry. One answer to the problem — legislation — is now proposed: but it will be several years perhaps before anyone can tell whether the legislative answer is actually a solution.

CELTIC SEA OIL REVIEW

BY RHYS DAVID

Welsh hopes revive for oil spin-offs

WITH THE announcement last week that drilling operations are to be resumed later this year in the Celtic Sea, some of the disappointment that has been felt in Wales at the lack of recent offshore activity could now be lifting.

Two years ago with the example of the North Sea in mind West Wales was busy preparing itself for an oil bonanza, with the Milford Haven estuary tipped to become a new Aberdeen, and Pembrokeshire in general hoping to become little Texas — rather than Little England—beyond Wales.

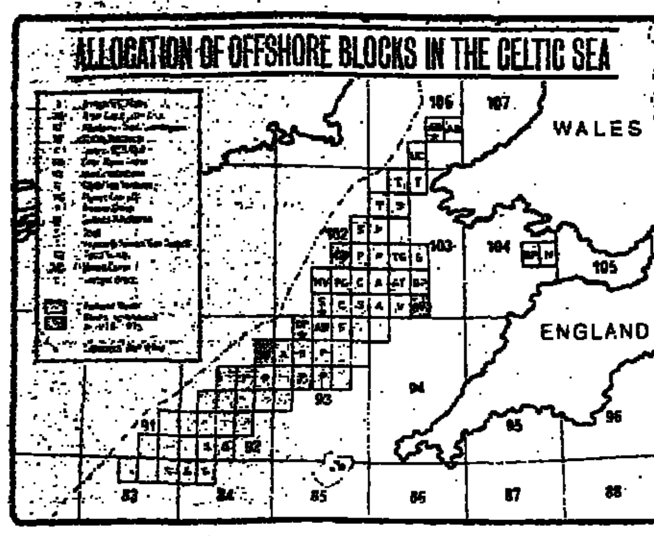
The drilling programme which did get under way in 1973 and 1974 was limited partly because of the accelerated rate of discovery at the time in the North Sea, and partly because the three wells which were explored proved disappointing. Shell, drilling in block 102/28 in 1973, and BP, in 93/2, in the following year, abandoned both their wells as dry, as did Arpet (block 106/24), also in 1974. Throughout 1975 at a time when rigs were no longer in short supply, no further offshore drilling took place.

The resumption of activity now is being led by the British Gas Corporation which announced its intentions for later this year at the first offshore conference to be held in Wales, at Cardiff at the end of last month. With Amoco as operators, Gas Council Exploration is likely to start work in one of the blocks 103/21, 103/26 and 93/6 by the end of July. British Gas has another wholly-owned exploration company, Hydrocarbons GB, which has a 50 per cent. stake with Texaco in blocks 103/2 and 103/3 off Fishguard, and one of these is likely to be drilled in the next three months. Hydrocarbons is also likely to begin drilling in late summer or early autumn in 106/28, a block held 50-50, with Deminex of West Germany.

Obligations

There is also the prospect of Shell, the biggest licence block holder in the area, starting drilling sometime this year. Other operators will also have to resume drilling this year or next to meet their licence obligations. In the third and fourth round allocation of licences, 44 blocks in the Celtic Sea were taken up and a minimum of 27 wells were due to be completed by 1978. After wells already drilled and licences relinquished have been taken into account a total of 22 wells remain to be drilled and on past form the major companies at least are likely to want to fulfil their obligations.

But while this resumption of activity is welcomed in Wales, there is on this occasion a much greater degree of caution over the possible outcome. More has come to light about the nature of the Celtic Sea over the past few years as a result of continuing surveys, and further indications of the oil companies' view of the area were given at the conference which accompanied the Cardiff exhibition.



What is known about the Celtic Sea—the northern half of the western approaches between south west Wales, Cornwall and Ireland—is that it forms part of a chain of sedimentary basins extending from the Bay of Biscay to north west Scotland and these can be regarded as potential sources of oil and gas. The basins are much smaller, however, than the main ones in the North Sea and only further drilling will tell whether oil and gas has been trapped in commercial quantities.

Some doubt on this point was in fact expressed in one of the Cardiff papers by Mr. B. R. Butler, of BP Petroleum Development. He pointed out that tests had indicated that there were large dome-shaped structures affecting the rocks of the basins but in most of them the permeable reservoir rocks that must be present for commercial oil or gas fields were lacking at the tops of the structures, or in other cases are arranged in such a way that any oil or gas which might be trapped cannot be sealed in.

"It is fairly obvious that this state exists over most of the main structure in the basins and leads to pessimism regarding the possible existence of many commercial oil fields. There are some exceptions and it is these that lead to the hope that some commercial fields may be found," he added.

In summary, according to Mr. Butler, the picture was one of few good closed structures, limited source rocks from which oil is derived, and reservoir rocks within which the oil can accumulate appearing only in certain areas. "It is not an encouraging picture but not completely without hope."

But while this represents the properly hard-headed approach to be expected from the normally cautious oil companies, hopes in Wales are likely to be buoyed by the knowledge that *the experts are often confounded* and the evidence that exploration in western waters outside the U.K. sector has not been entirely unpromising.

Production from the Marathon Gas Kinsale Head field off Ireland is expected to start in the summer of 1978 and to reach eventually peak production of 125m. cubic feet of gas per day. Altogether 23 wells had been drilled off the Irish coast by the end of last year, and five had found hydrocarbons, though in each case in less than commercial quantities.

Off the coast of France, too, some oil shows are reported to have been found in the south-west approaches by Elf-Aquitaine.

But although these developments represent a more encouraging side to the picture, the fear remains that having made very thorough preparations for receiving riches from the sea-bed, Wales could in the end be thwarted by lack of discoveries or indeed by lack of sufficient exploration.

In anticipation of a much earlier surge in activity, local authorities and local industry in Pembrokeshire (now part of the wider county of Dyfed) geared up to make services available, and as a result of these moves most operations so far in the Celtic Sea have been based in West Wales rather than in Cornwall.

A purpose-built shore base for the offshore industry was opened in June 1974 by Celtic Sea Supply Bases in Pembroke Dock on the Milford Haven estuary, and another local concern, Marine Port Services, part of Richard Hayes Investments, has leased an 18-acre supply base to Shell Expro. The Milford Docks company, affected in recent years by the rundown of the local fishing industry, also saw the opportunity of diversifying into offshore supply and servicing and has built berths for supply vessels. The company also has available a 150-acre site, able to accommodate offshore supply industries, as well as shiprepairing and dry dock facilities.

As Mr. Frank Grout the development officer for Dyfed pointed out at the conference, the county was equipped for the oil industry before exploration even started. Milford Haven is already Britain's biggest oil port with five major company terminals and four refineries grouped around the deep-water haven. Built to take advantage of Milford Haven's ability to take very large crude carriers, the refineries are also linked to the main U.K. markets in Midlands and the North West by a finished products pipeline.

Worldwide

Whether these facilities will ever be used for Welsh oil remains to be seen, but companies throughout Wales have insured themselves to some extent against failure by going for the offshore market worldwide. According to the Offshore Supplies Office, Welsh companies are earning some £11.5m. a year supplying the oil industry, but this is probably a substantial underestimate. Modules, barges and supply vessels for the North Sea and elsewhere are being built in Wales, reinforcing bar is being supplied for concrete platforms, pipes are being sent as far afield as India to the Bombay High oilfield, and the Cardiff-based shipping line Reardon Smith has joined the ranks of independent drilling rig operators.

The scale of activity within South Wales would certainly be increased if the Celtic Sea were to come up with promising finds. The problem at this stage however is that the geology looks less promising than it might, and with political and other economic factors also to be taken into account, the big companies are understandably showing some reluctance to permit the very large sums required for drilling.

The hope in Wales is that the limited drilling programme about to get under way will come up with promising discoveries—sufficient at any rate to persuade other groups that it is worth while to look beneath the Celtic Sea despite political and economic uncertainties, including doubts over Government intentions on participation.

STOCK EXCHANGE REPORT

Equities and Gilts a shade firmer after erratic day

Share index 2.4 up at 367.1, after 361.2—Setback for BP

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
May 17	May 27	May 28	Jun. 9
Jun. 1	Jun. 10	Jun. 11	Jun. 22
Jun. 14	Jun. 24	Jun. 25	July 6

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The absence of any positive action to halt or reverse the recent sharp fall in sterling left stock markets in a highly nervous state yesterday. Prices again generally followed the course of the pound, and when the latter dipped to $1.70 jobbers immediately replied with a sharp markdown of leading equity prices. Coming after the recent precipitate fall, the further lowering of share values encouraged some closing of short positions although genuine buyers remained reluctant. The sensitive state of the market was reflected in erratic changes in the equity leaders, with price movements ranging to 12p and occasionally more. Closing levels were generally balanced between the day's worst and best, as mirrored by the F.T. 30-share index, which was 3.5 down at 10 a.m., then a net 6.3 up at 1 p.m. before closing 2.4 up on balance at 367.1.

British Funds behaved in much the same fashion, ending with rises to ⅞ after early losses to ⅛; the Government Securities index, at 61.00 picked up 0.33 of Wednesday's 0.71 fall.

Secondary equities reflected the overall improvement with rises leading falls (by about 7—4) in FT-quoted Industrials. The F.T.-Actuaries All-Share index at 152.15, regained 1 per cent. of Wednesday's 3.4 per cent. loss. The day's quieter trading (official markings of 6,083 compared with 7,252 the previous day) threw up hardly any features, although British Petroleum's disappointing first-quarter profits statement left the shares 33 off at 607p.

The encouraging outcome of the IMF gold auction failed to have a lasting effect and opening gains in gold mining shares were often turned to modest losses by the close. The Gold Mines index, after its five-day rise of 33.4, reacted 5.3 to 186.0.

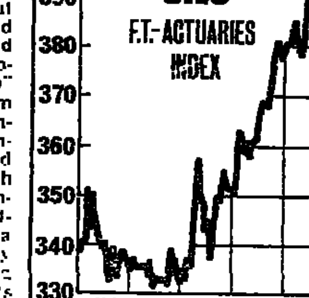
Gilts recover

Assumptions that to-morrow's Minimum Lending Rate would remain at 11½ per cent. outweighed another unsatisfactory performance by the pound in foreign exchange markets and brought about a recovery in British Funds. The opening tendency was a shade easier, more noticeably at the shorter end, but a small demand, both genuine and to cover short positions, developed which in an oversold market produced a rally in the short "tap" Treasury 9¼ per cent., 1981, from 89⅞ to 91 before a slight softening after-hours to 90⅝. Circumstances among the mediums and longs were identical although this end of the market was unaffected after-hours by the last-minute reaction in sterling, a factor which took the shorts away from the day's highest. Closing list gains ranged to ⅞ in the shorts and to ½ among high-coupon longer maturities.

Still volatile in only a small trade, the investment currency premium rose to 125½ per cent., reflecting the fresh early easiness in sterling before wilting rapidly on moderate institutional selling to 118 per cent. The closing rate was above the lowest at 120½ per cent., down 3¼ points on the day. Yesterday's SE conversion factor was 0.6895 (0.6759).

Banks better

After the previous day's dullness, jobbers cautiously marked prices of the big four Banks lower at the start of business yesterday but then small buyers appeared to spark off a modest rally. **Lloyds**, 210p after 203p, and **Midland**, 260p after 253p, both closed a net 5 better, while National Westminster ended 4 dearer at 212p, after 205p. **Barclays** were 2 up at 270p, after 263p. Discounts performed similarly with sentiment helped by the improvement in Gilts. In a thin market, **Allen Harvey and Ross** gained 10 to 365p, while **Union** picked up 8 at 313p and **Cater Ryder and Gerrard and National** were both 5 up at



240p and 245p respectively. Merchant Banks also took a modest turn for the better with **Guinness Peat** 3 up at 178p. **Minster Assets** hardened a penny to 51p in front of to-day's preliminary results. Although the preliminary figures were in line with market expectations, **Brown Shipley** cheapened 5 to 145p, after 140p.

Brokers, the major Insurance casualties in Wednesday's setback, staged a useful rally yesterday. **C. E. Heath** at 398p, retrieved 8 of the previous day's fall of 20, while **Alexander Howden** picked up 6 to 150p and **Hogg Robinson** hardened 4 at 157p. Composites traded uncertainly and closed mixed. **Commercial Union** edged forward 2 to 112p but **Phoenix** shed 4 to 186p.

Breweries and kindred trades closed narrowly mixed after a small trade. **Arthur Guinness**, at 126p, retrieved a penny of the previous day's fall of 4, while **Young "A"** hardened 2 to 91p following the results. **Distillers** touched 142p, but eased back to close unchanged on the day at 140p.

H. and R. Johnson-Richards Tiles, at 195p, recouped 15 of the previous day's fall of 17. Elsewhere in Buildings **Associated Portland Cement** closed unchanged at 158p, after 156p, despite news of kiln closures. **IDC** contrasted with a fall of 4 to 86p, while **Ellis and Everard**, 89p, and **Ibstock Johnsen**, 76p, lost 6 apiece.

ICI had an erratic day, the old falling to 240p before rallying to close a net 2 better at 436p, while the new nil-paid shares fell to 19p premium before finishing a penny better on balance at 24p premium. Elsewhere in Chemical, **Hickson and Welch** responded to the interim report with a rise of 5 to 348p.

Stores closed without much alteration following a reasonable business. **"Gussies" "A"** and **British Home Stores** put on 2 apiece at 180p and 343p respectively. **Debenhams**, however, gave up another penny at 84p following Press comment on the company's fund-raising. Among secondary issues, **H. Samuel "A"** revived with a rise of 6 to 114p. **A. Goldberg** were raised 4 to 46p, while smaller-priced issues had **John Michael** a penny firmer at 6p and **Executex** 1½ harder at 6½p.

Electrical leaders moved erratically during a fairly active trade and closed with small net gains for choice. **EMI** were finally 3 better at 222p, after moving between 215p and 223p, and **Plessey** 2 harder at 71p, after 68p and 72p. **GEC** finished 2 softer at 145p, after having touched 142p and 148p. **Philips' Lamp**, up to £9½ at first on Continental advices, came back with the reaction in the investment premium to 960p for a loss of 10 on the day. Elsewhere, **Racal Electronic** rallied 11 to 222p and **United Scientific** 9 to 177p in thin markets, while **Henry Wigfall**, 135p, recovered 5 of the previous day's fall of 10. **Pye Holdings** put on 3 to 43p, while the chairman's good progress report at the annual meeting left **Bowthorpe Holdings** 2 firmer at 36p. On the other hand, losses of about 5 were recorded in **Louis Newmark**, 100p, and **Dale Electric**, 125p, while **Wholesale Fittings** shed 3 to 56p.

Leading Engineerings mostly lost their rally, but not the majority of second-line issues. **GKN**, alone, closed 5 higher at 312p, after 316p, while **Tube Investments** ended unchanged at 332p, after 338p. **Hawker** fluctuated between 428p and 436p, prior to reverting to the overnight level of 432p, but **Weir** regained 4 to 76p and **Simon** were similarly better at 108p. **600 Group** rallied 4 to 70p, after 71½p, and **Matthew Hall** improved a like amount to 96p, the latter on the forecast of increased profits. **Head Wrightson** picked up 1½ to 43½p helped by the chairman's confident view of prospects, but **E. E. Jeavons** fell 8 to 48p, being unsettled by a sell advice. Machine Tools also staged a recovery. **Wadkin** regaining 5 to 80p and **Jones and Shipman** 4 to 70p. **Dartmouth Investments** eased ½ to 8½p despite satisfactory results.

Among quieter Foods, **Cadbury Schweppes** closed 1½ harder at 46p and **RHM** finished 2 better at 45½. **Cavenham** reacted to 109p before closing without alteration at 112p. **Associated Fisheries** hardened 2 to 24p following recent weakness on the cod war settlement, while gains of 5 were seen in **Pork Farms**, 128p, and **United Biscuit**, 117p. **Linfood** contrasted with a fall of 12 to a 1976 "low" of 183p, while **Joseph Stocks**, 90p, and **British Sugar**, 310p, lost 10 apiece. Supermarkets made modest headway. **CCH Investments**, 4 cheaper at 25p, provided an isolated dull feature in otherwise little changed Hotels and Caterers.

After wilting afresh at the start, the miscellaneous Industrial leaders picked up on a combination of bear covering and some genuine demand to end with small net gains for choice. **Beecham**, after reacting further to 345p, staged a useful rally to 357p for a net rise of 7, while **Rank Organisation**, 160p, after 153p, and **Pilkington**, 311p, after 303p, were both finally 5 better. **Glaxo** ended 3 up at 375p, after touching extremes of 367p and 378p, and **Bowater** finished a penny harder at 194p, after 188p and 196p. The **Australian Broken Hill Proprietary** rose 15 to 780p, after 790p, but the South African **Barlow Rand** relinquished 9 at 193p. Elsewhere, **Wedgwood**, 205p, retrieved 5 of the previous two-day fall of 21; the results are due next Tuesday. **Pentos**, in response to the chairman's encouraging statement at the annual meeting, closed 3 up at 48p. **Foseco Minsep** recouped 7 at 183p, while **I.C. Gas** improved 12 to 310p, but **B. S. and W. Whiteley**, in reflection of the final dividend omission and loss, softened 2 to a 1976 low of 25p.

Lucas became an erratic market in Motors and Distributors, moving between extremes of 188p and 202p before closing 2 better on balance at 196p following an active trade. **Dunlop**, 78p, and **Associated Engineering**, 79½p, both closed a penny better, but news of overtime working at the company's Midlands plant failed to enthuse **British Leyland**, unchanged at 28p. Garages were noteworthy for a rise of 3 to 52p in **Adams and Gibbons** and an advance of 7 to 82p in **Frank Gates**.

McCorquodale staged a partial recovery, closing 5 up at 185p, after recent weakness on the first-half setback. Other Paper/Printings were generally disregarded apart from **Inveresk** which, following renewed late speculative interest, gained 2 to 61p. Newspapers also made marginal improvements, and **United** regained 4 to 264p.

BP down sharply

British Petroleum reacted swiftly to first-quarter figures less than half of most market expectations by falling from a slightly higher level of 643p to the day's lowest of 607p, a net loss of 33. Inevitably, other Oils were unsettled and **Shell** lost 8 to 426p, after 436p, while **Royal Dutch** slipped ¾ to £40½ and **Ultramar** 2 to 144p. News of the lower profits took 1½ off **Century**, at 40p, but **Tricentrol** continued to find some speculative support and rose 3 to 48p. Elsewhere, **Siebens (U.K.)** rallied 10 to 115p.

Activity remained at a low ebb in the Property leaders, although prices picked up with the general trend to finish with small net gains. **English Property**, after easing to 39p, improved to end a penny harder on the day at 41p, sentiment being helped in the later trading by the company's circular expounding the beneficial effects of the Trizec Corporation and Eagle Star deals. **MEPC**, ahead of next Tuesday's half-time report, finished 1½ firmer at 63p, after 60p. **British Land** were finally a fraction better at 24p, after 22½p. Secondary issues closed on a mixed note with fairly minor movements. **Property Holding and Investment** were 5 better at 200p and **Chesterfield** 4 up at 124p, while **Churchbury Estates**, on the profits advance, hardened 2 to 125p.

Overseas Traders were inclined to take a turn for the better. **S. and W. Berisford**, with interim results due June 24, rebounded 9 to 149p, while **Inchcape** recouped 11 at 406p. **Great Northern** put on 3 to £70.

Trusts and Financials displayed no set trend after a moderate turnover. **Rothschild** lost 6 more at 230p and **Jersey General** eased 5 to 205p, while stockjobbers *Akroyd and Smithers* receded 3 to 190p as did **S. Pearson**, to 131p. **British Investment**, on the other hand, picked up 4 to 114p and **Simonside** were a like amount dearer at 42p.

Little of interest took place in Shippings, although prices managed to pick up slightly in places. **P & O Deferred** ended 2½ better on balance at 101p, after 103p.

Marked down to 125p at the outset, **Courtaulds** staged a good recovery as the day progressed and touched 131p before closing 2 firmer on balance at 130p. Elsewhere in Textiles, prices tended to edge forward nervously with **John Haggas** 5 higher at 305p in a thin market.

Bats were erratic in Tobaccos, drifting down further to 345p then recovering strongly to touch 360p before closing 2 better on balance at 355p. **Imps** lost 1½ more to a 1976 low of 72½p.

Idle Plantations had **Guthrie** a penny down at 177p; the results are due next Thursday.

Golds react

South African Gold shares put up a disappointing performance following the outcome of the International Monetary Fund auction, which caused a subs[…] tial rise in both bullion and sh[…] in overnight U.S. markets.

Shares opened firmer here [fol]lowing a modest follow-throug[h of] U.S. demand, but subseque[ntly] began to move lower owing t[o] disappointing morning bullion [fix]ing which prompted Cape, Continental selling coupled [with] profit-taking from local so[urces] and the easier investment d[ollar] premium.

The Gold Mines index, [which] had risen 33.4 over the pre[vious] five trading days, fell 5.3 to [186.0] while bullion was finally 25 [cents] higher at $127.375 per ounce.

In the heavyweight issues[, gains] ranged to ¾ in **Free State Ge[duld]** (£13½) and **Western Hold[ings]** (£19¾) while losses of a half [were] registered by **Vaal R[eefs]** (£16¾) and **President B[rand]** (£14¼). **Buffels** fell a [like] amount to £10⅞ following [a] lower-than-expected final divi[dend].

Overseas-based Financials [lost] ground reflecting the lower p[rem]ium and the weakness of G[olds]. **Anglo American** fell 10 to [...] and **"Amgold"** lost a point to [...]. The London-based issues were [gen]erally lower on balance, showing modest gains in line [with] U.K. Industrials. **Charter** clo[sed] down at 148p after 152p.

Coppers were untested, as [were] Tins. In Platinums, **Bishop[sgate]** eased 2 to 114p following [...] offerings.

Australians generally drifte[d in] idle trading in response to [the] trend in overnight market[s in] Sydney and Melbourne, [with] prices unaffected by the Min[ister] of National Resources' comm[ents] regarding more flexibility in [Aust]ralian-foreign equity invest[ment] guidelines.

FINANCIAL TIMES STOCK INDICES

	June 3	June 2	June 1	May 28	May 27	May 26	A year ago
Government Secs.	61.00	60.67	61.38	61.32	61.29	61.96	58.2[…]
Fixed Interest	60.78	60.77	61.37	61.64	61.73	62.27	58.[…]
Industrial Ordinary	367.1	364.7	373.0	380.4	381.2	390.8	359.[…]
Gold Mines	186.0	191.3	185.7	173.3	177.6	164.4	414[…]
Ord. Div. Yield	5.84	5.88	5.77	5.66	5.65	5.53	5.[…]
Earnings Y'ld % (full) (a)	16.60	16.70	16.38	16.09	16.23	15.89	16.[…]
P/E Ratio (net) (b)	8.93	8.87	9.04	9.21	9.08	9.27	8.[…]
Dealings marked	6,083	7,252	6,818	6,938	7,317	6,963	7,5[…]
Equity turnover £m	—	61.80	51.83	56.24	65.24	50.25	76.[…]
Equity bargains total	—	17,948	16,891	17,320	17,914	17,214	21,8[…]

10 a.m. 362.2. 11 a.m. 364.9. Noon 369.9. 1 p.m. 371.8. 2 p.m. 370.1. 3 p.m. 365.0.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=8.85.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	60.19 (2/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.45 (2/2/76)	59.75 (2/1/76)	150.4 (28/11/47)	50.54 (3/1/75)
Ind. Ord.	420.6 (4/5/76)	364.7 (2/6/76)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1/76)	[illegible]	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	June 3	June 2
Daily—		
Gilt-Edged	158.5	176.[…]
Industrials	219.2	269.[…]
Speculative	45.6	73.[…]
Totals	138.5	165.[…]
5-day Average—		
Gilt-Edged	177.1	182.[…]
Industrials	250.0	256.[…]
Speculative	64.6	67.[…]
Totals	156.6	160.[…]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thursday, June 3, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Wed. June 2 Index No.	Tuesday June 1 Index No.	Friday May 28 Index No.	Thurs. May 27 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	140.04	-2.1	16.16	6.33	9.32	9.23	137.18	141.74	143.30	145.55	129.84	160.06	137.18	206.37	50.71
2	Building Materials (30)	125.65	-1.5	14.15	7.27	10.70	10.70	123.78	127.35	128.93	130.52	111.84	150.18	123.78	233.84	44.27
3	Contracting, Construction (23)	194.57	-0.8	18.92	5.59	8.30	8.30	193.00	196.56	197.26	200.83	237.33	260.20	193.00	389.35	71.48
4	Electricals (16)	252.53	-2.8	16.29	4.91	9.06	8.80	245.72	255.92	259.65	263.27	231.88	287.30	245.72	350.04	86.71
5	Engineering (Heavy) (13)	166.79	-3.0	22.61	7.17	6.90	6.90	161.88	170.36	171.58	174.58	153.11	193.18	161.88	202.57	94.43
6	Engineering (General) (63)	131.00	+2.2	16.23	6.70	9.16	9.16	128.19	132.05	133.14	135.48	115.71	149.29	125.48	168.59	45.14
7	Machine and Other Tools (8)	52.92	-2.4	14.30	7.56	12.50	12.46	51.66	54.12	54.43	55.50	43.87	60.62	51.19	136.70	19.96
8	Miscellaneous (25)	125.36	-2.0	15.01	6.75	10.16	9.86	122.93	127.66	129.76	132.49	121.18	141.94	121.53	177.41	49.65
9	CONSUMER GOODS (DURABLE) (53)	120.09	+2.8	17.26	5.52	8.65	8.62	116.86	121.72	122.86	126.16	92.06	141.46	116.86	227.78	38.39
10	Lt. Electronics, Radio TV (15)	132.57	+3.0	14.97	4.10	9.84	9.79	128.75	135.83	134.91	138.95	105.91	160.35	128.75	257.41	42.85
11	Household Goods (13)	164.29	-1.4	16.68	7.03	8.14	8.12	162.00	166.83	171.99	175.64	145.86	187.22	162.00	263.22	63.92
12	Motors and Distributors (25)	73.51	+3.0	20.26	7.35	7.49	7.44	71.40	74.58	75.17	77.00	49.63	85.16	70.05	170.59	19.91
13	CONSUMER GOODS (NON-DURABLE) (168)	140.81	+1.3	14.98	6.45	10.12	10.04	138.95	145.36	145.35	147.25	145.68	162.24	138.95	226.08	61.41
14	Breweries (15)	150.02	-1.4	15.30	7.36	9.81	9.81	147.98	153.08	154.09	154.23	159.07	179.43	147.99	281.87	69.47
15	Wines and Spirits (7)	171.00	-0.6	14.12	5.98	13.76	13.76	169.90	176.19	176.41	178.18	172.70	190.67	169.90	257.40	78.71
16	Entertainment, Catering (14)	164.77	+2.3	16.02	8.16	10.27	10.16	158.17	164.43	167.15	170.34	157.71	211.26	158.17	329.99	54.87
17	Food Manufacturing (22)	159.70	+1.6	15.84	5.43	9.64	9.56	157.25	162.53	164.39	166.58	165.61	179.44	157.25	211.65	59.78
18	Food Retailing (16)	129.08	+1.8	12.90	5.66	11.29	11.29	126.86	132.49	134.99	137.64	148.65	150.05	126.86	236.08	54.25
19	Newspapers, Publishing (16)	158.94	+1.2	12.89	6.84	14.94	11.94	157.01	161.69	163.78	166.25	151.39	184.34	157.01	250.29	55.08
20	Packaging and Paper (12)	95.95	+1.1	18.22	8.16	8.22	8.22	94.92	97.74	99.63	103.00	104.76	112.50	94.92	135.69	43.46
21	Stores (34)	114.30	+1.0	15.56	6.04	11.35	14.32	115.17	116.71	117.22	118.32	131.87	136.24	113.17	204.59	52.65
22	Textiles (23)	146.07	+2.9	10.20	7.82	14.06	12.48	141.90	149.01	154.80	154.90	142.80	185.19	141.90	253.72	62.66
23	Tobaccos (3)	214.46	+0.6	20.33	6.61	7.50	7.50	213.17	218.59	220.58	226.00	196.69	241.89	211.56	339.16	94.34
24	Toys and Games (6)	68.08	+0.3	22.26	7.91	6.85	6.35	67.85	70.82	72.42	74.32	43.56	78.73	59.13	135.72	20.92
	OTHER GROUPS (96)															
25	Chemicals (26)	204.57	-1.4	12.16	5.46	14.43	11.43	201.83	207.34	209.94	210.10	126.51	231.38	199.45	231.38	71.20
26	Office Equipment (9)	90.80	-2.3	13.14	5.71	11.09	11.09	88.75	91.19	92.56	94.75	96.79	100.18	85.09	246.06	45.34
27	Shipping (12)	366.14	-2.1	15.03	7.10	9.24	8.42	357.59	368.38	374.76	379.02	367.81	432.64	355.52	517.00	90.80
28	Miscellaneous (49)	151.21	-1.9	14.72	7.30	10.15	10.14	148.45	153.35	154.97	157.71	152.46	172.98	148.45	258.83	60.39
29	INDUSTRIAL GROUP (496)	146.09	-1.7	14.90	6.28	10.00	9.91	143.68	148.28	150.14	152.11	142.46	165.38	143.68	220.17	59.01
30	OILS (4)	358.28	-2.4	11.95	4.58	9.68	8.96	367.24	381.53	379.68	379.00	294.24	395.84	331.34	421.66	87.23
31	500 SHARE INDEX	163.49	+1.0	14.41	6.03	9.94	9.74	161.90	167.27	168.87	170.67	155.21	183.00	161.90	227.95	63.49
32	FINANCIAL GROUP (100)	119.93	+1.2	—	6.15	—	—	118.52	123.00	125.83	127.20	144.69	153.46	118.52	241.41	55.88
33	Banks (6)	148.03	+1.1	20.92	5.72	7.35	7.35	146.38	150.70	154.88	155.95	177.11	192.16	146.38	288.32	62.44
34	Discount Houses (10)	147.90	-0.1	—	9.35	—	—	148.00	152.73	155.77	156.93	157.62	186.52	147.90	293.13	81.40
35	Hire Purchase (5)	93.11	+3.1	—	6.96	—	—	90.30	92.95	93.64	95.97	100.91	132.10	90.30	435.72	38.83
36	Insurance (Life) (9)	97.05	-1.2	—	7.36	—	—	95.91	100.68	104.01	106.14	118.51	129.46	95.91	194.46	44.98
37	Insurance (Composite) (7)	93.99	-1.3	—	7.47	—	—	92.79	96.83	98.17	99.90	117.12	119.75	92.79	155.76	43.96
38	Insurance Brokers (9)	239.22	-2.7	9.91	4.62	14.99	14.99	232.89	242.01	251.91	255.03	210.14	276.90	218.26	276.90	65.86
39	Merchant Banks (16)	69.87	-0.2	—	8.00	—	—	69.72	72.31	73.43	74.57	89.81	93.83	69.72	278.57	31.21
40	Property (32)	145.45	-0.7	3.61	3.48	49.09	49.74	144.37	150.74	152.96	152.17	189.45	194.57	144.37	357.40	56.01
41	Miscellaneous (6)	70.36	-0.8	18.56	8.00	8.43	8.43	69.83	72.53	72.74	75.68	74.82	91.98	69.83	305.13	33.29
42	Investment Trusts (50)	143.88	-1.4	3.64	5.19	28.61	28.60	141.96	149.65	155.15	156.08	177.29	184.55	141.96	243.79	71.05
43	ALL-SHARE INDEX (650)	152.15	-1.0	—	5.99	—	—	150.59	155.86	157.82	159.57	153.20	172.64	150.59	228.18	61.92
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	486.30	-0.3	12.25	7.01	12.30	12.15	484.79	491.58	496.77	499.28	495.56	525.40	404.67	555.37	84.68
45	Teas (8)	133.87	—	31.71	8.91	4.28	4.14	152.87	152.87	154.60	155.34	95.40	140.44	117.89	140.44	59.72
46	Coppers (3)	238.15	-0.6	41.50	7.22	2.41	2.41	236.74	232.17	228.03	223.04	415.65	301.47	178.95	567.78	94.08
47	Mining Finance (11)	108.78	-0.1	9.60	4.62	11.68	11.59	108.91	108.35	107.00	106.62	136.85	119.77	86.18	175.90	56.31
48	Tins (8)	326.10	-1.5	12.84	8.68	12.16	12.14	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	54.85
49	Overseas Traders (13)	226.10	-1.5	14.67	4.57	8.87	8.86	222.75	228.03	228.52	231.12	238.66	254.41	222.75	454.47	97.57

	FIXED INTEREST	Thurs. June 3 Index	Yield %	Wed. June 2	Tuesday June 1	Friday May 28	Thurs. May 27	Wed. May 26	Tuesday May 25	Monday May 24	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.21	14.31	14.10	14.18	14.16	13.97	13.77	13.87	14.53				
2	20-yr. Govt. Stocks (6)	48.26	13.47	47.84	48.60	48.62	48.63	49.45	50.09	50.00	47.63	53.45	47.54	115.42	[illegible]
3	20-yr. Red. Deb. & Loans (15)	50.33	14.69	50.33	51.18	51.80	51.85	52.12	52.28	52.24	48.16	52.40	46.98	114.45	[illegible]
4	Investment Trust Prefs. (15)	46.64	14.84	46.64	48.34	48.05	48.05	48.76	48.76	47.80	42.47	51.25	46.50	114.41	[illegible]
5	Coml. and Indl. Prefs. (20)	63.54	14.94	66.76	66.86	65.58	65.83	66.07	66.20	66.58	59.17	71.97	62.76	114.95	[illegible]

Section or Group / Base Date / Base Value: [illegible]

Share indices now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 20p. A record of the indices, cost £6, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4. † Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. A list of the constituents of the FT-Actuaries [...] * Corrected.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
Beecham	25p	16	357	+7	390	339
ICI	£1	16	346	+2	402	328
GKN	£1	15	312	+5	360	266
"Bats"	25p	13	355	+2	410	342
Barclays Bank	£1	12	270	+2	350	265
Boots	25p	12	115	+1	146	111
Shell Transport	25p	12	426	−8	462	378
Hanson Trust	25p	11	132	+5	146	121
Midland Bank	£1	11	260	+5	320	250
P & O Defd.	£1	11	101	+2½	119	87
RTZ	25p	11	208	+2	239	178
Bowater	£1	10	194	+1	230	173
BP	£1	10	607	−33	685	575
GEC	25p	10	145	−2	168	142
Nat. Westminster	£1	10	212	+4	290	205

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
May 25	Jun. 8	Aug. 19	Sep. 1
Jun. 9	Jun. 21	Sep. 2	Sep. 14
Jun. 22	July 5	Sep. 16	Sep. 28

"Calls" were dealt in British Car Auction, Dunlop, Barclays Bank, Trust Houses Forte, ICI, A.B. Electronic, Manbre and Garton, Centrovincial, National Carbonising, Town and City, Bank of Scotland, J. Lyons, Courtaulds, Berry Wiggins, Bridgend, EMI, Oil Exploration and Triplevest Capital, while "doubles" were arranged in Grand Metropolitan Warrants, Morgan Grampian, Lonrho, Bank of Scotland, Courtaulds, National Westminster Bank Warrants, ICI and Burmah Oil.

Industrials		Guardian	18	Spillers	4	Shell	27
		G.K.N.	25	Tesco	4	Ultramar	14
A.P. Cement	15	Hawker Sidd.	35	Thorn "A"	22		
Assoc. Leisure	3	House of Fraser	8	Tube Invest.	27	Mines	
Barclays Bank	22	I.C.I.	20	Unilever	38	Anglo Amer.	50
Beecham	28	"Imps"	7	Utd. Drapery	8	Charter Cons.	15
Boots Drug	12	I.C.L.	14	Vickers	15	Chart'd Fin.	4
Bowaters	16	Inveresk	7	Williams Hud'n	4	Cons. Gold	15
B.A.T.	30	Legal & General	12	Woolworths	6	De Beers Dfd.	35
British Leyland	5	Ladbroke	11			F. S. Geduld	350
B.H.S. Ind.	5½	Lloyds Bank	22	Property		Great Boulder	12
[illegible]	6½	"Lots"	4	Brit. Land	3½	Hampton Areas	12
Cadburys	5	"Mams"	7	Cap. Counties	3	Hampton Prop.	4
Courtaulds	11	Marks & Spencer	8	E.P.	5	Kloof	100
Debenhams	8	Midland Bank	22	Intl. Europ.	7	Lonrho	9
Distillers	13	Nat'West Bank	20	Land Securities	14	Rustenbg.	55
Dunlop	7½	"Do." Warrants	8½	MEPC	7	Poseidon	55
Eagle Star	11	P&O Dfd.	11	Peachey	3	Pres. Steyn	200
E.M.I.	17	Plessey	7	Samuel Props.	4½	Rio T. Zinc	17
Gen. Accident	12	R.H.M.	5	Town & City	2½	Welkom	55
Gen. Electric	13	Rank Org. "A"	18			West Areas	40
Glaxo	35	Reed Intl.	25	Oils		Western M'ng.	18
Grand Met.	7	Rothmans	4	Brit. Petroleum	40		
G.U.S. "A"	16	Slater Walker	4	Burmah Oil	4½		

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (9)

AMERICANS (1)
Ervon
CANADIANS (3)
Bell Canada — Place Gas
Massey Ferguson
ENGINEERING (1)
Francis Inds.
INDUSTRIALS (1)
Hepworth Ceramic 11pcUns. 1976
TRUSTS (2)
GT Japan — Selected Risk
OVERSEAS TRADERS (1)
Great Northern Telegraph

NEW LOWS (152)

COMMONWEALTH & AFRICAN LNS. (2)
BANKS (4)
BEERS (1)
BUILDINGS (13)
CHEMICALS (2)
DRAPERY AND STORES (5)
ELECTRICALS (6)
ENGINEERING (13)
FOODS (5)
HOTELS (2)
INDUSTRIALS (21)
INSURANCE (3)
MOTORS (3)
NEWSPAPERS (2)
PAPER AND PRINTING (8)
PROPERTY (15)
SHIPBUILDERS (1)
SHOES (2)
TEXTILES (3)
TOBACCOS (1)
TRUSTS (45)
OILS (2)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	57	0	2
Corpns. Dom. and Foreign Bonds	8	9	47
Industrial	486	318	915
Financial and Prop.	197	128	246
Oils	6	10	21
Plantation	1	8	37
Mines	15	60	71
Recent Issues	22	10	24
Totals	792	543	1,363

Mint re-equips

BIRMINGHAM Mint is to spend £100,000 on its military badge, medal and allied subsidiary J. R. Gaunt and Son, Birmingham, to reequip and develop new products for export. The project involves a move to the main Birmingham Mint site.

BASE LENDING RATES

Allied Irish Banks Ltd.	10[…]
American Express Bank	1[…]
Anglo-Portuguese Bank	11
Henry Ansbacher	11
Banco de Bilbao	11
Banco de Jerez	12
Bank of Cyprus	11
Bank of N.S.W.	10
Banque du Rhone S.A.	11
Barclays Bank	10
Barnett Christie Ltd.	12
Bremar Holdings Ltd.	11
Brit. Bank of Mid. East	10
■ Brown Shipley	11
Canada Permanent AFI	11
Cayzer, Bowater Co. Ltd.	11
Cedar Holdings	11
■ Charterhouse Japhet	11
C. E. Coates	11
Consolidated Credits	11
Co-operative Bank	*10
Corinthian Securities	11
Credit Lyonnais	10
G. R. Dawes	11
Duboff Brothers	11
Duncan Lawrie	10
English Transcont.	11
First London Secs.	11
■ Antony Gibbs	11
Goode Durrant Trust	10
Greyhound Guaranty	11
Grindlays Bank	‡10[…]
■ Guinness Mahon	10[…]
■ Hambros Bank	11
Hawtin & Partners	13
■ Hill Samuel	§11
C. Hoare & Co.	†10[…]
Julian S. Hodge	11[…]
Hongkong & Shanghai	10[…]
Industrial Bank of Scot.	10[…]
Keyser Ullmann	11
Knowsley & Co. Ltd.	12[…]
Lloyds Bank	10[…]
London & European	11
London Mercantile	11[…]
Midland Bank	10[…]
■ Samuel Montagu	10[…]
■ Morgan Grenfell	10[…]
National Westminster	11[…]
Northern Comm. Trust	11[…]
Norwich General Trust	11[…]
Portman Guaranty	9[…]
P. S. Refson & Co.	10[…]
Rossminster Accept'cs.	11[…]
Schlesinger Limited	11[…]
E. S. Schwab	12[…]
Security Trust Co. Ltd.	12[…]
Shenley Trust	12[…]
Standard Chartered	10[…]
Trade Development Bk.	10[…]
Twentieth Century Bk.	12[…]
United Bank of Kuwait	10[…]
Whiteaway Laidlaw	11[…]
Williams & Glyn's	10[…]
Yorkshire Bank	10[…]

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6[…].
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7¼%, and over £25,000 7[…].
‡ Demand deposits 6¾%.
§ Call deposits over £1,000 6½%.

CORAL INDEX
Close 364-369

I.G. INDEX—01-351 3466
SEPTEMBER COPPER—883-893

INSURANCE BASE RATES

† Atlantic Assurance	10¾%
Cannon Assurance	8¾%

† Address shown under Insurance and Property Bond table.

MONEY MARKET

Interest rates easier

Bank of England Minimum Lending Rate 11½ per cent. (since May 21, 1976)

Short-term fixed period interest rates tended to ease yesterday afternoon, but business remained quiet and nervous, ahead of to-day's Treasury bill tender. Discount houses buying rates for three-month Treasury bills indicated a possible small rise in Bank of England Minimum Lending Rate.

Day-to-day credit was generally in fairly short supply and the authorities gave a moderate amount of assistance by buying Treasury bills from the discount houses.

Banks carried forward surplus balances from Wednesday and a fall in the note circulation was also in the market's favour. This was outweighed however by an excess of revenue payments to the Exchequer over Government disbursements, and a net market take-up of Treasury bills.

Discount houses paid about 9 per cent. for secured call loans in the early part and closing balances were found within a range of 8 per cent. to 9½ per cent.

In the interbank market overnight loans opened at 8½-9 per cent. and touched 9½-9¾ per cent., before easing to about 7 per cent. at the close, though funds were available at as low as 2 per cent. in places.

Rates in the table below are nominal in some cases.

June 3 1976	Sterling Certificate of deposits	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury Bills ф	Bank Bills ф	Fine Trade Bills ф
Overnight	—	2-9½	—	—	—	—	8-9½	—	—	—
2 days notice	—	—	10¼-10½	—	—	—	—	—	—	—
7 days or 7 days notice	—	9½-10¼	10½-10¾	—	—	—	9¼-9½	—	—	—
One month	11⅛-10⅞	10⅞-11¼	10⅞-11	12-11½	11½-11¼	—	10½-10⅝	11⅛-11	11½-11¼	12½-11¾
Two months	11⅝-11¼	11-11¼	—	12½-11¾	11⅝	—	10⅝-10⅞	11½-11⅝	11⅝	12¼-12
Three months	11⅞-11½	11½-12	11½-11¾	12½-11¾	11⅝-11¾	—	10¾-11	11⅝-11⅝	11⅞	12¼-12
Six months	12⅛-12⅛	11¾-12½	11¾-12	12½-12	12¼-12½	—	—	—	12½	12½
Nine months	12½-12⅛	12⅛-12½	—	13¼-12¼	12½	—	—	—	—	—
One year	12¾-12½	12¼-12⅝	12½-12⅞	13¼-12¼	12½	—	—	—	—	—
Two years	—	—	13-13⅛	—	—	—	—	—	—	—

* Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 11½ per cent.; four years 11¾ per cent.; five years 11¾-12 per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12⅛ per cent.; and four-month trade bills 12½ per cent. Approximate selling rate for one-month Treasury bills 10 per cent.; two-month 11⅛-10⅞ per cent.; and three-month 11⅛ per cent. Approximate selling rate for one-month bank bills 11 per cent.; two-month 11¼-11½ per cent.; and three-month 11¼-11½ per cent. One-month trade bills 12¼-12½ per cent.; and three-month 12⅛-11¾ per cent.

Finance House Base Rates (published by the Finance Houses Association) 10 per cent. from June 1 1976. Clearing Bank Deposit Rate for small sums at seven days' notice 6½-7 per cent. Clearing Bank Base Rate for lending 10½-11 per cent. Treasury Bill average tender rate of discount 10.9985 per cent.

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World Gas Industry

The gas industry has developed rapidly over the past 25 years, filling a larger share of the energy market. But in the aftermath of the oil crisis, energy sources and uses are being reappraised. It is likely that gas will increasingly be regarded as a premium fuel.

Careful use is vital

By Ray Dafter
Energy Correspondent

THE 13TH World Gas Conference to be held in London next week will reflect a completely different energy environment to the one surrounding the gas industry at the time of the previous conference in Nice three years ago.

The five-fold increase in oil prices has caused energy to become a major factor in world-wide political and economic affairs. Nations have been forced to appraise more carefully the way their individual energy sources are developed and used — a welcome change to the wasteful attitudes of the past.

The gas industry has particular reason to welcome this change of heart. In recent years it has come under increasing pressure to fill a larger share of the energy market, mainly because of the growing availability of natural gas. Consequently, over the past 25 years or so the gas industry has grown by well over 500 per cent., as against the 400 per cent. growth in oil and around 60 per cent. growth in coal.

Some might argue that the gas industry is being overworked. After all, natural gas constitutes only 6 or 7 per cent. of total recoverable fossil fuel resources although it is providing 18 to 20 per cent. of the world energy production. Taking these bald figures, it could be argued that given a demand growth of 4 per cent. annually, it could take less than 50 years to deplete the total remaining recoverable resources of natural gas to a point where only 10 years of reserves remain.

This is a point made in a conference paper by Dr. Henry Linden, president of the Institute of Gas Technology, who foresees "tremendous changes" occurring in the gas industry in the relatively near future.

The situation in the U.S. is clear evidence that these changes are needed. Natural gas now accounts for more than 30 per cent. of the U.S. primary energy market. What is more North America, with just 14 per cent. of the world's known gas reserves, last year consumed an estimated 620bn. cubic metres of natural gas, 51 per cent. of the total annual production.

Recent estimates have indicated that if the U.S. continues to use gas at the rate it has been doing, its own reserves could expire in 11 to 12 years. The latest figures suggest that the warning has been heeded, however. North America's consumption last year was 6 per cent. down on 1974 when the market represented 57 per cent. of the world total.

One message currently being emphasised by Mr. Leslie Clark, president of the International Gas Union since 1973, is that gas is a precious commodity which should be used in the premium markets. The domestic sector—home heating and cooking—is seen as the primary market with industrial use reserved for specialist activities like glass making and metallurgical work.

Concentrating

"In Britain I feel we have done a good job, concentrating on these premium markets." commented Mr. Clark, a former chairman of Northern Gas and now advisor on overseas matters to the British Gas Corporation. Indeed, the Corporation is well advanced in its aim to supply over half the useful heat to the domestic sector by 1980.

After Japan, the U.K. supplies the highest proportion of gas for domestic and commercial purposes—54.7 per cent. as against Poland with 14.1 per cent. at the opposite end of the spectrum. The U.K.'s achievement, and it could be classed as such, is partly due to prudent planning and partly to the legacy of history. The British gas industry is the oldest in the world and started by supplying gas for the domestic and public lighting sectors. By and large gas has always been regarded in the U.K. as a fuel for the premium markets although, in 1920, its use was extended to industrial application, where ease of control and flexibility could warrant higher costs.

NATURAL GAS—ESTIMATED CONSUMPTION AND PERCENTAGE SHARES

(bn. cubic metres)	1975	%	1974	%
North America	620	51	690	57
USSR, Eastern Europe & China	330	27	290	24
Western Europe	180	15	160	13
Others	80	7	70	6
World	1,210	100	1,210	100

Source: Royal Dutch/Shell Group.

There are a number of reasons why gas can be regarded as a premium fuel. It is instantly available when required, providing a wide range of easily controllable heat. Its reliability record is good. In many cases it can be used more efficiently than other fuels. It can be readily stored and, extremely important in this environment-conscious age, it has a very low sulphur content.

In view of all these benefits it may seem curious that some countries, like East Germany, the Netherlands and Romania, should use so much of their gas as a basic raw material for generating electricity. East Germany, for instance, uses nearly half its gas for power generation.

History

The varying pattern of gas usage reflects economic and political history in individual countries. In Poland, where only a small percentage of gas goes to premium markets, it was considered expedient that as much gas as possible should be pumped into industry in order to boost living standards.

The U.K. is in a more comfortable energy situation than most with enough offshore oil to meet all domestic requirements from 1980, enough recoverable coal to last more than 300 years, considerable background in nuclear-powered electricity, and sufficient natural gas to last well into the next century. Nevertheless, it is leading the campaign for judicious use of gas.

Mr. Clark feels that the worldwide gas industry could look optimistically at a future spreading well into the first quarter of the next century "providing it pursues a policy of controlled marketing and continues research into new technology."

Much of this new technology is concerned with producing, economically, synthetic gas from coal, oil or other materials. There is one research project in the U.S which is studying ways of producing methane from processed seaweed, for example. The production of gaseous products from waste material is another long-term prospect.

But it is the coal and oil gasification systems which are receiving most of the immediate attention, however. In a sense they are now coming back into favour having been superceded by natural gas. Dr. Linden reports in his paper that interest in synthetic fuels had been almost abandoned in the world, with the exception of South Africa and Canada, to the extent that a few years ago the total global technical manpower resource with synthetic fuels experience was down to a few hundred people.

The gas industry has been somewhat concerned at the way recent synthetic fuel projects have been hit by cost escalation. One plant, due to become operational in 1979, was estimated to cost just over $400m. in 1973. Early last year the anticipated price had risen to $853m., and is still rising. On the other hand, there is hardly a major processing project in the world that has not been affected by inflation to some extent.

Encouragement

If the industry should need further encouragement it might turn to the recent report of the Open University's Energy Research Group. In its critique of the electricity industry, it points out that coal gasification plants require only a quarter of the capital investment needed by coal-fired power stations. In terms of energy conversion values, the gasification plants were twice as efficient. The synthetic gas plants produced less air pollution. In addition, gas transmission costs are quoted as 10 times lower than equivalent electrical schemes.

These facts were retold with some relish last month by Sir Arthur Hetherington, chairman of the British Gas Corporation. He added, however, that they should not be taken as a hint of an early return to coal gasification. "There is plenty of gas available in the North Sea to satisfy the essential gas market well into the 21st century."

Nevertheless, British Gas has been pioneering much vaulable work on coal gasification at its Westfield Development Centre in Scotland. This was proved in March when it was announced that the Corporation had successfully demonstrated, in a £5m. experiment, the key stage of a new coal gasification process.

British Gas believes that it leads the race for acquiring a major design and engineering contract from the U.S., almost certainly the first country to use the process on a commercial scale. The process is based on the high-pressure slagging gasifier, a technology invested by British Gas for rejecting the non-combustible portion of coal.

What is also important is that the Corporation is preparing for the day when supplies of natural gas begin to slow down and when there will be a need to top up energy with output from substitute natural gas plants.

In a sense the world as a whole is preparing for this day. The speed with which it comes depends on the way that individual countries use finite natural gas resources, and the way that gas is priced in relation to other energy forms.

Optimistic view of the U.K.'s reserves

IN CONTRAST to the doomsday theorists, who foresee a rapid and early run-down of British natural gas reserves, British Gas is talking optimistically of supplies running well into the next century. There are good grounds for this optimism. As the Corporation's chairman, Sir Arthur Hetherington, pointed out recently, "We are still in the primary stage of exploration."

The Government's latest report on off-shore oil and gas resources—the so-called Brown Book—remarks that reserves of natural gas now under contract to the Corporation are sufficient to support a production rate of 6bn. cubic feet a day by the 1980s. Existing discoveries would support this level of production well into the decade, while future contracts would underwrite longer-term supplies.

Proven reserves of gas in the southern and northern sectors of the North Sea have risen to 29 trillion (million, million) cubic feet, while it is estimated that total possible reserves could be as high as 50.5 trillion cubic feet.

Much of the increase in reserves over recent years is due to the amount of associated gas found in predominantly oil reservoirs. Shell/Esso's Brent Field, for instance, has some 3 trillion cubic feet of associated gas, apart from the 2m. barrels of recoverable oil and natural gas liquids.

Shell/Esso have already contracted to deliver over 500m. cfd of associated gas to the Corporation from the early 1980s.

This output, together with the contracted supply of 1.5bn. to 1.8bn. cfd of gas from the Anglo-Norwegian Frigg gas field will enable British Gas to expand its supply from the current average of around 4bn. cfd to 6bn. or 6.5bn. cfd over the next few years.

But the question remains: what will come next? This is where the new gas fields and the much larger number of associated gas reservoirs become important. Output from at least a proportion of these will be needed by the late 1980s or early 1990s to offset the anticipated drop in production from the early southern gas fields.

The Pan Ocean Group's Brae Field, for instance, could contain as much as 2 to 3 trillion cubic feet of gas, quite apart from the 1bn. barrels of possible oil reserves. The latest Phillips find on block 49/11A may have similar quantities of gas although more drilling will be needed to confirm this.

Then there is British Gas's own discovery on block 110/2 in the Irish Sea, a find conveniently situated barely 30 miles from Blackpool and lying beneath reasonably shallow water. The commercial potential of the field is unclear—the Corporation is being naturally coy—but reports in the industry suggest that reserves could lie in the range of 2 to 5 trillion cubic feet.

Reserve

It will be interesting to see whether British Gas, which is to carry out a three-well exploration programme with oil industry associates in the Celtic Sea this year, will "shut in" this field and use it as a reserve store. This must be an attractive concept for there will be greater pressures on the Corporation to take supplies from associated gas reservoirs. Oil companies developing fields for their crude oil potential must produce gas at the same time. Consequently the Corporation may well lose much of the control-valve flexibility it has enjoyed with the southern North Sea fields.

But if the associated gas is not produced it must either be re-injected into the field or flared into the atmosphere, a flagrant waste of a valuable natural resource. This is why some form of gas gathering pipeline system is so desirable, particularly if it can be made commercially viable, as seems quite likely.

The Government is looking at a number of possible schemes outlined in last month's report by Williams-Merz, consulting engineers. One scheme, as favoured by the consultants, would involve well over £1.6bn. being spent on an 800-mile system which might tap as many as 30 fields and un-named discoveries.

It is estimated that the system could reach a peak throughput of 1.5bn. cubic feet a day (over and above the output from Brent and Frigg). This would not be far short of half of the level of production from southern fields.

It is clear that the Gas Corporation will seek a far different pricing structure for marginal supplies of associated gas than for other, more commercial supplies. It will take the attitude that gas that would have been wasted can justify only knock-down prices. (The exact price would vary of course, depending on whether or not the gas was bought at the well-head—excluding transport costs—or at the shore terminal.)

The state's undertaking attitude to gas prices has been a constant thorn in the side of oil exploration groups. Quite simply, they claim they are not being paid enough to justify the risks involved. This claim is difficult to test, however, as all the commercial deals are carried out in strict secrecy. It is known that Frigg gas is commanding a considerably higher price than supplies from the southern fields, even after the latest round of increases, but this is hardly surprising. Development costs for Frigg have been far greater than those for the southern sector fields.

Exposed

Frigg lies in deeper water, much further from land and in one of the most exposed sectors of the storm-hammered North Sea. Furthermore, development has been ravaged by recent cost inflation.

Such conditions will become increasingly familiar to companies which seek new gas reserves for, as the Brown Book mentions, it is unlikely that further major reserves of gas will be found in the Southern Basin.

The Celtic Sea area is receiving renewed attention this year although tests have not supported the industry's past optimism about the sector. Three groups operated by Amoco, Texaco and Hydrocarbons (British Gas) are to drill in the Celtic Sea although conditions are far more troublesome than in the more northern Irish Sea sector.

It is in the Irish Sea area that British Gas seems to be developing a monopoly interest. Under new legislation, which enables the Corporation and the British National Oil Corporation to apply for exploration licences at any time, British Gas is seeking the right to exploit relinquished blocks 110/3 and 110/8. Other companies have also advised the Government of their interest in this spare acreage but, unlike the state corporations, they must wait for the open rounds of offshore licences.

The reason for this interest in the two blocks is clear. British Gas has already found a gas f[ield] on neighbouring concess[ion] 110/2, and it is felt that [the] reservoir could well extend i[nto] either or both of the adjoin[ing] blocks.

This raises the point about oil explorers' future attitude [to] potential gas-bearing con[ces]sions. Some of the majors h[ave] suggested that in view of [the] Corporation's past attitude [to] pricing and its current adv[an]tages over licence applicat[ions] there will be little oil indu[stry] interest in newly allocated [gas-]producing areas.

Whether this threat is [real] or merely an example of po[liti]cal posturing will be seen w[hen] the fifth round of licences [is] announced in the next [few] months. It is thought likely [that] the Government will allo[cate] blocks in a number of br[oad] exploration areas, in which [all] possible gas-producing con[ces]sions in the Celtic and Irish S[eas] are likely to be included.

Ray Daf

ESTIMATED U.K. CONTINENTAL SHELF GAS RESERVES

(Remaining in known discoveries at December 31, 1975)

Totals in bn. cubic metres*

	Proven	Probable	Possible	Total
Southern Basin:				
Fields under production or under contract to British Gas	478 (16.9)	28 (1.0)	42 (1.5)	549 (19.4)
Other discoveries believed to be commercial but not yet contracted to British Gas	74 (2.6)	9 (0.3)	6 (0.2)	89 (3.1)
Other discoveries	0 (0)	34 (1.2)	40 (1.4)	74 (2.6)
Total Southern Basin	552 (19.5)	71 (2.5)	88 (3.1)	711 (25.1)
Northern Basin†:				
Fields under contract to British Gas	190 (6.6)	8 (0.3)	0 (0)	198 (6.9)
Other significant finds†	28 (1.0)	150 (5.3)	155 (5.5)	333 (11.8)
Other gas with oil	45 (1.6)	96 (3.4)	47 (1.7)	188 (6.7)
Total Northern Basin	263 (9.2)	254 (9.0)	202 (7.2)	719 (25.4)
Total U.K. Continental Shelf	815 (28.7)	325 (11.5)	290 (10.3)	1,430 (50.5)

* Figures (in parentheses) are also given in t.c.f. for comparison, the conversion factor assumed is t.c.f. (10^{12} cubic feet) = 28.317 . . 10^9 cubic metres. † Including reserves found in Liverpool Bay.

Source: Department of Energy.

SNG process offers huge potential

IF ONLY we could afford to wait another 20 years to develop Selby, lamented a National Coal Board member recently. He was commenting on the exceptionally high quality of Selby's coal, low in ash, and thus its natural advantages as a feedstock for conversion to substitute natural gas (SNG) and oil. But SNG is not yet an economic proposition in the U.K. Selby's entire output of 10m. tons a year by the late 1980s is already bespoke for electricity generation, an application for which the coal is so good it will not even need to be washed.

Contrast this with the feedstock for the world's most ambitious gas- and oil-from-coal project, Sasol 2, under development in South Africa. The state-owned South African Coal, Oil and Gas Corporation is building a chemical complex on top of a new, highly automated mine, to convert 14m. tons of rather poor coal a year—one-fifth of South Africa's current coal production—into petrol and gas.

The plant design is based on Sasol 1, started 26 years ago, in which the company tried to combine a number of processes, which were then either novel or at best had been demonstrated only on a small scale. This technology, moreover, had to be adapted to a very poor feedstock. It averaged 39.8 per cent. ash in the year 1974-75, and may be higher for the new plant. Sasol, having experienced great difficulty in getting the technology right, will play safe and stay with its own "proven technology" for the new plant.

ICI, greatly excited by the prospect of coal as a chemical feedstock of the future, views South Africa and its very cheap coal as a "laboratory" in which the company can try out ideas for to-morrow's "coalplex," or coal-fed chemical complex. At Modderfontein, its associate company, South African Explosives and Chemical Industries, has recently commissioned the world's biggest coal-fed ammonia plant, in which coal provides a source of carbon for the cracking of steam to yield hydrogen for ammonia synthesis in a low-pressure, high-temperature operation designed to produce a clean "synthesis gas." It consumes coal at rates up to 2,300 tons a day.

But another big project involving the company, in partnership with Sentrachem, calls for the construction of a large coal-fed complex to make PVC from ammonia. This 100,000-ton plant has been dubbed the "coalplex project," and is scheduled to be in production at Sasolburg by the end of 1977.

Experiment

Meanwhile in Scotland, British Gas has recently successfully demonstrated in a £5m experiment the key stage in a new way of making SNG from relatively poor coal. Dr. Denis Hebden, programme director of British Gas's Westfield project, and Dr. C. T. Brooks, development manager, discussed their progress in a paper at the annual conference of the Institution of Gas Engineers in April. Over the past year they have carried out a series of trials on a fixed-bed slagging gasifier at Westfield.

A redundant Lurgi gasifier has been converted to a "slagging" gasifier on the basis of development work by British Gas's Midland Research Station in the 1960s. The idea is that the high-pressure technology will reject the non-combustible portion of the coal as a molten slag—relatively easy to deal with compared with solid ash. The process is controlled by injecting tar and powdered coal, as required, to sustain the temperature.

Drs. Hebden and Brooks claimed that their trials have shown that coals with an ash content as high as 20 per cent., and even lignite, will yield gas suitable for further refinement to make SNG. Two seven-day runs at Westfield, in which coal costing £10,000 a day was being consumed, yielded this gas at the rate of 25m. standard cubic feet per day.

The Westfield trials were commissioned by a consortium of 15 U.S. companies headed by Continental Oil. Conoco Coal Development Company is the co-ordinator for the sponsors in the $10m. project, which it is believed could lead to a demonstration SNG plant in the U.S. on about 10 times the scale. British Gas has been in discussion with the U.S. Energy Research and Development Administration (ERDA) this year about funding for a further development of the slagging gasifier itself—the critical step—with about five times the present output.

Market

British Gas officials accept that the U.S. — with 1m. miles of natural gas pipeline, but where demand for natural gas has already outstripped the discovery of new resources — is likely to provide the world's first market for large-scale SNG manufacture. But it has already achieved a significant foothold in that market with the sale of licences for 14 streams of catalytic rich gas-based capacity making SNG from light distillates, already producing 1.67m. cubic metres of gas a day at peak output.

A demand for coal-based SNG is unlikely to arise in the U.K. before the mid-1990s. Should any peak-load SNG capacity be required before then, British Gas anticipates that it will be provided by its catalytic rich gas route, which, on the basis of U.S. experience, will be cheaper to install and more flexible to operate than coal-fed processes.

But present indications are that the U.S. market will want large-scale coal-fed SNG plants by the mid-1980s to meet the shortfall in indigenous natural gas and oil supplies. It is talking of plants with capacities of 6.95m. cubic metres per day. On present estimates, they would cost about $750m. to construct. Fed with coal costing $5 per ton, such plants, according to Dr. Hebden and Dr. Brooks, will produce gas at a cost of $2.5 per million Btu.

Despite these high costs, the U.K. scientists anticipate that coal gasification will need to be producing annually about 41.7bn. cubic metres of SNG by 1985, "if there is to be any real attempt to close the predicted gap between gas demand and supply in the U.S."

ERDA is currently funding a number of large-scale development efforts. For example, it has awarded Coalcon Company a $237m. contract to construct a demonstration plant based on the hydrocarbonisation route, in which coal is cooked at about 540°c in the presence of hydrogen and at a pressure of 600 lbs per square inch. Coalcon quotes an estimated $2.4 per million cubic feet for SNG from this process.

Another route ERDA is supporting is extraction, in which refined coal is dissolved in an organic solvent actually produced as a by-product of the process. An SNG price of $2.3 per million cubic metres has been estimated for this route.

ERDA is also funding a number of attempts at underground gasification, in the hope of releasing SNG from coal too poor in quality or too inaccessible to warrant bringing to the surface. An obvious attraction of in-situ gasification would be low capital cost—always provided of course that the coal could be reached relatively cheaply and without excessive environmental disturbance. But a recent study by the National Coal Board, while not rejecting in-situ gasification as a long-range possibility—it puts the chances higher, for exam[ple,] than those of harnessing "[hot] rocks" in Britain—indic[ates] that there must first be [a] dramatic decline in the cos[t of] drilling the extensive array [of] deep holes such a project w[ould] require.

David Fishl

Science Ed

Supplies ample but not unlimited

NATURAL GAS is in one sense *the* fuel of the future—at least until nuclear fusion or solar energy or whatever really takes hold around the end of the century. It is clean, easily controllable, of varied application and, not least, its reserves-to-consumption pattern around the world is a good deal more comforting than that of oil.

Whereas the recent history of oil has been constantly one in which—the North Sea apart—the main areas of consumption have had to rely increasingly on a limited number of reserve-potential countries in the Middle East, natural gas reserves can claim to be much more evenly placed and better balanced. The Middle East reserves inevitably still hold a substantial proportion of the 60 trillion (million million) cubic metres of estimated recoverable gas in the world. But at 24 per cent. of total world gas reserves, it is only around half the proportion that the area holds in oil.

The USSR, meanwhile, with 36 per cent. of reserves, Western Europe, with nearly 10 per cent., and North America, with 14 per cent. hold a proportion much more in line with the pattern of consumption around the world. Western Europe consumes some 13 per cent. of the world's annual sales of gas, USSR takes 19 per cent. and North America takes nearly 60 per cent.

The reserves-to-production ratio, at nearly 50 years' production at current rates, is considerably better than oil and, in Western Europe for example, currently stands at a fairly comfortable 40 to 1. In most areas outside North America natural gas remains a relatively young fuel in use, still building up its proportion of primary energy consumption and eating into oil's basic markets in the commercial heating and bulk-steam raising sectors. And in large areas of potential large-scale production, like Saudi Arabia and parts of South-East Asia, the reserves of gas still remain relatively unexploited.

And yet, as the world looks to a revival of economic growth and assesses the future through the 1980s, it is clear that gas as much as oil faces serious problems in matching supply and demand, despite the lower overall energy growth figures being envisaged for the rest of this decade.

The biggest problem remains that of the U.S. It was here that natural gas was first developed on a large trans-continenal scale. Encouraged by the vast network of inter-State pipelines built up immediately after World War II and by the extraordinary low price of natural gas imposed by the federal authorities, natural gas has developed to a point where it holds more than 30 per cent. of the U.S. primary energy market, including a substantial proportion of bulk use in power stations and heavy industry.

The discovery of new gas reserves has long since failed to match this demand growth. North America, with around 14 per cent. of the world's proved gas reserves, consumes of about 50 per cent. of its annual production. The reserves to production ratio has been dropping steadily throughout the 1970s until it now stands at a disturbing figure of less than 11 years' use at to-day's rate of sales.

Exploration

Higher gas prices now being introduced may help to gear up the exploration effort. The potential for increased supplies from Alaska and the Canadian Arctic Circle is considerable. But these new reserves will take time and money to develop and they are hardly likely to affect the picture before 1980. The U.S. is faced with the prospects of both cutting back on the share held by gas in the energy market and with going abroad on a major scale for new supplies.

The picture outside North America is somewhat brighter in that the "take-off" of natural gas in the energy market is relatively more recent. In Western Europe it has only been with the discoveries in the Po Valley, in Italy, at Lacq in France and above all with the discovery of the vast Groningen reserves in the Netherlands in 1959 that the basis has been found on which to develop an inter-continental distribution system. This is now maturing.

The sales contracts for Groningen are still building up the supplies and, boosted by the North Sea discoveries in both the Norwegian and U.K. sectors, natural gas can still be expected to go on increasing its share of Europe's primary energy from around 13-14 per cent. at present to around 18-20 per cent. by the early 1980s.

In Japan, with virtually no indigenous reserves, the use of gas remains limited by the confines of supply, but several LNG deals, including one from Brunei, are beginning to come in and natural gas can be expected to play an increasingly useful role as a supplement to Japan's energy requirements over the next 10 years.

But the speed with which natural gas has "taken off" in the European market and the sheer scale of some of the LNG and international pipeline supply agreements being negotiated have tended to mask the true nature of the supply constraints which have begun to emerge outside America.

Prospects are particularly uncertain in Western Europe. Over the last ten years it has been Groningen which has supplied the backbone of development in Europe, providing around 40 per cent. of total supplies. Most of Europe is now fully converted, or almost fully converted, to natural gas with a growing pressure of demand still hard upon it. Yet the Gróningen offtake is due to reach a plateau within two years and the additional reserves discovered in the Dutch North Sea will be largely earmarked for the domestic market to sustain the high proportion of gas used there.

The other traditional producing areas of Europe are also at their peak or in decline, including the southern fields of the U.K. North Sea, which is currently predicted to start declining early on in the next decade, of Lacq, the Po Valley and the German on-shore fields. The major discoveries in the northern North Sea off Scotland and Norway will go far towards covering this decline.

But considering the size of Groningen and the impact, therefore, of its decline, and considering the pressure of demand which has seen natural gas grow at a rate of 30 per cent. per annum so far this decade, there is the clear prospect that future gas growth in Europe will be constrained by supply factors early in the 1980s.

Over the next decade, natural gas is almost certain to remain one of the fastest growing fuels, increasing both in volume and in its proportion of total world energy. But the issue that now faces the industry is how far this growth will be contained by supply considerations and how far these constraints can be eased by the growth in a world trade in gas, via tanker or international pipeline.

Trade

The question is hard to answer at present. The growth of international trade in gas has been one of the most formidable developments of the past few years, as a series of LNG deals have been signed to take gas from North Africa to the U.S., from South-East Asia and the Gulf to Japan, and from North Africa to Europe and, as a major pipeline network has been developed, to take gas from Russia into Europe.

But such deals, particularly involving LNG or major pipeline systems like those for Alaskan and Canadian gas and for Russian gas to go to Japan, take as much as eight years to develop and are very costly. They present, additionally, very considerable geopolitical problems of interdependence between States.

At the same time the Middle East and some of the major reserve countries are showing signs of preferring to use gas internally for the development of petrochemical projects and for domestic energy use rather than for export.

With current world oil prices, and under present conditions of cost and political sensitivities, it is hard to avoid the feeling that international supplies of gas will remain a supplemental part of the picture, developing slowly and more gradually than some of the LNG proponents might wish.

Unless some massive new reserves are found or new technology for transport developed, then it would seem that the days of its substitution for coal and oil in the bulk markets may be coming to an end, except in those countries like the U.K. with specially favourable supply bases.

The areas of rapid growth will be in countries like New Zealand, Australia and the Middle East, where reserves can be used for industrialisation.

Adrian Hamilton

Chemical problems

FOR THE chemical companies of Western Europe the prospect of substantial quantities of natural gas liquids being landed in the U.K. in three years' time from Sell-Esso's Brent field off the Shetlands has injected a new element into perhaps the most important internal debate going on within the industry.

The industry, largely as a result of the energy crisis, has spent much of the past two years looking at the costs of the various different feedstocks which can be used to produce petrochemicals, and is faced with probably a major shift away from the products which it has traditionally used.

The background to this change is the much higher value put on naphtha, the oil refinery by-product which has been the basis of petrochemical development in Western Europe and Japan since World War II. In the period until the oil crisis heavy fuel oil for use in power stations, and motor spirit were in demand, and the oil companies were able to offer naptha at what was in effect surplus cost.

Since the oil crisis the situation has changed. The recession has brought about a decline in industrial activity and the rise in oil prices has resulted in substitution of heavy fuel oil by other fuels such as coal.

Petrochemical demand has remained buoyant and the oil companies have as a result loaded a much greater proportion of their costs on to the naphtha they sell to the chemical industry.

The chemical producers have therefore realised that in future they will have to try and reduce their dependence on naphtha which in Western Europe currently accounts for more than 90 per cent. of the industry's feedstock for such vital raw *materials as ethylene.* Instead the industry will have to broaden the base of its offtake from the oil industry to use products where demand from other sections of industry has fallen off.

It is for this reason that the *availability of gas liquids from* the North Sea—another possible chemical industry feedstock—is welcome to the industry, but as a recent paper by Mr. Bill Thomson, chairman of Shell Chemicals U.K., pointed out, the role gas is likely to play remains uncertain.

In Western Europe the Brent Field will be producing, apart from oil, some 650,000-800,000 tonnes a year of ethane which can be cracked to produce ethylene, and main interest in the possibility of new gas-based crackers has focused on this possible source of supply. Talks are known to have taken place between Shell-Esso and Dow over the possible purchase by Dow of ethane as feedstock for a new Scottish plant to produce ethylene and a variety of derivatives.

At present, however, Brent represents the main source of ethane in the North Sea, although a smaller quantity is also available from the Norwegian sector. The disadvantage—and the main factor behind the failure of U.K. companies to rush in with proposals for new ethylene crackers based on a relatively cheap raw material—is that Brent on its own would only support one cracker. Any reduction in oil offtake would result in uncertainty over gas supplies and furthermore the life of the gas reservoirs so far discovered might not justify the capital cost of building an ethane-based plant. There is the further problem that ethane unlike naphtha does not produce propylene, a chemical raw material for which demand is now growing faster than for ethylene.

A further difficulty facing Brent ethane is the distance of the landing point at Peterhead from established petrochemicals centres or from *main centres of* population. As such, costly transport of materials, either before or after conversion into downstream products, would be necessary.

It may also be, as the Shell paper suggested, that too much attention has in any case been given to ethane, ignoring the importance which the increased availability of other natural gas liquids, such as propane and butane would have for the chemical industry. According to Shell, natural gas liquids *available from the main oil and* gas producing areas are now at a level of around 11m. tonnes a year but by 1985 could rise to 60m. tonnes with the North Sea responsible for some 3-5m. tonnes (of which less than 1m. tonnes would be ethane).

Availability

The availability of propane and butane in large quantities is thought likely to result in both products losing the premium they currently enjoy *and hence becoming more attractive* as feedstock for the petrochemicals industry.

Although this may have implications for the industry in Western Europe over the longer term, more immediately Shell sees the prospect of substantially increased sales of propane and butane to the U.S. where the petrochemical industry has been built largely on natural gas liquids rather than on naphtha. The group has recently won a \$1bn. order to *supply propane and butane to* the U.S. for a ten-year period.

In Europe, however, and indeed in the U.S., increased interest in natural gas liquids by the chemical industry is likely to be only part of a wider move aimed at utilising a broader range of chemical feedstock.

In both Europe and Japan it seems likely that, apart from any additional use made of natural gas liquids, a much greater proportion of petrochemical feedstock will be derived in future from the heavier end of the barrel.

In the U.S. the feedstock problem takes a somewhat different character because of the difference historically in the development of the industry. As a result of the rapid depletion of natural gas reserves the U.S. has had to increase its dependence on gas imports and the chemical industry has been forced, as in Europe, to look to other sources of feedstock—in the case of the U.S. industry naphtha and gas oil. These two sources which between them account for some 25 per cent. *of total ethylene feedstock in* the U.S. at present will form 60 per cent. by 1985, with ethane shrinking from 39 per cent. to 26 per cent. over the same period. In Europe naphtha is expected to account for only 71 per cent. of feedstock by 1985 compared with 95 per cent. at present, with gas oil, currently 4 per cent., climbing to 25 per cent. and gas liquids from 1 per cent. to 4 per cent.

It is over this period too that perhaps the most vital unknown *element in the overall* equation will become clear—the extent to which the Arab countries using their vast resources of oil and gas will move towards competition with the developed countries in the production of chemicals.

Rhys David

Pipelines: the risks and rewards

PIPELINES HAVE assumed an increasingly important role in the transportation of world energy over the past few years. There are now more than 1m. miles of trunk and gathering pipeline systems, about 70 per cent. of which is used for moving natural gas. Indeed, the gas pipeline systems have been the fastest growing sector as more nations become converted to natural gas.

Shell, which has a major stake in both the world oil and gas markets, points out that pipeline economics are characterised by large investments, relatively low operating costs and decreasing unit costs for higher volumes. This means that the cost of transportation by pipelines is much more resistant to inflation than that of other means of transport.

According to one survey of non-Communist pipelines, no less than 23,580 miles of four-inch and larger lines are expected to be laid this year. The cost could be well over $6.76bn (£3.8bn.). Not surprisingly, the U.S. emerges as the biggest spender. This year 7,569 miles of pipeline should be laid in the U.S., some 4,110 miles of which are earmarked to carry natural gas.

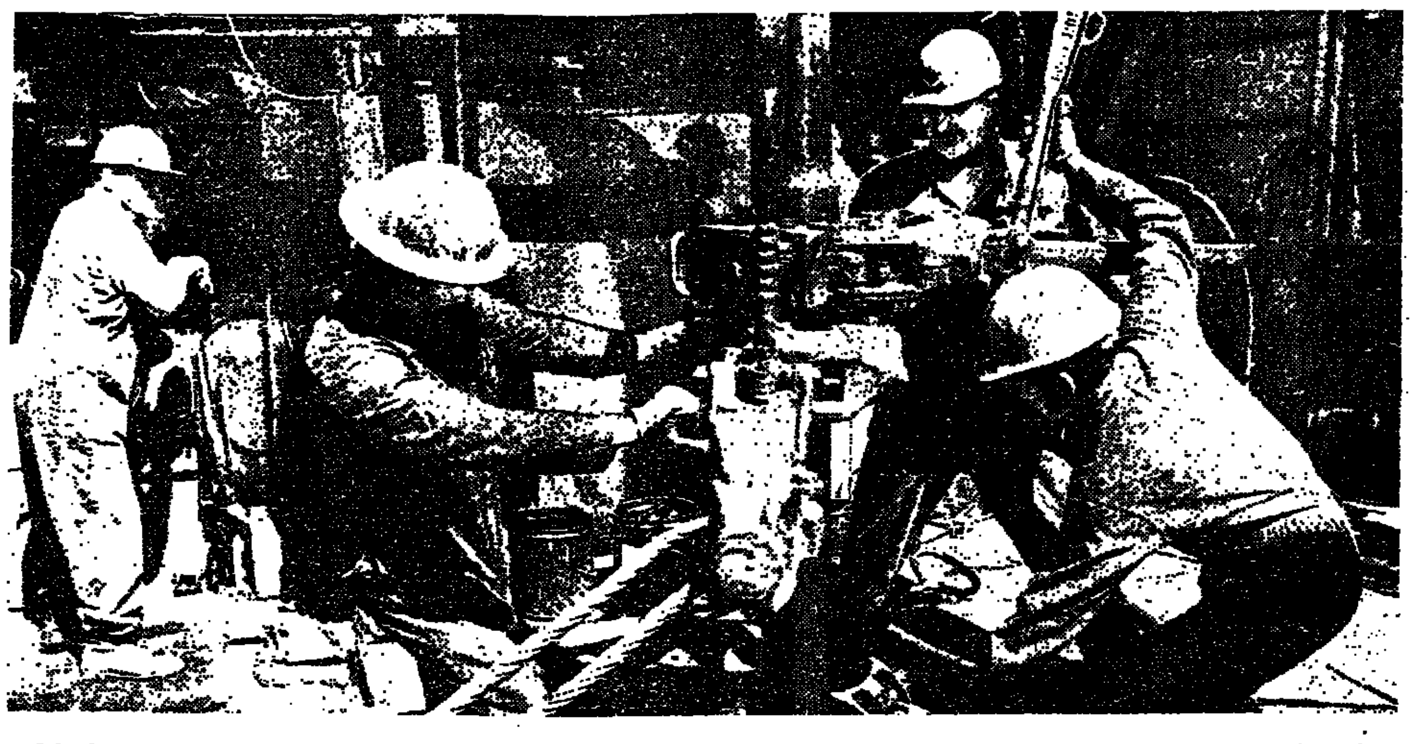
The North Sea is coming increasingly into the world pipe-laying ratings as development of the gas and oil fields in both the U.K. and Norwegian sectors begins to build up. British industry has often been criticised for not recognising and seizing more readily the opportunities presented by offshore development. One of the most disappointing sights for those in Government and the oil industry who have been advocating that British manufacturers should be given a fair and full opportunity to supply equipment has been the lengths of pipeline which have had to be imported from the Continent and Japan. British Steel Corporation has not had the capacity to produce large diameter, high quality pipe for the major North Sea distribution systems.

Expenditure

Perhaps somewhat belatedly the Corporation is "actively and seriously" considering what capital expenditure would be required to get into the market for larger systems. So far, approaching 1,500 miles of sub-sea lines have been laid in the North Sea and on the basis of programmes already under way this should reach over 2,000 miles by 1980.

Two of the most ambitious schemes now being undertaken in the hostile waters involve the distribution of natural gas. Two pipelines are being constructed to carry gas 230 miles from the Anglo/Norwegian Frigg Field to St. Fergus, Aberdeenshire. The pipeline from the British sector of the field is virtually complete while work is well under way on the parallel line. Frigg, which has reserves estimated at 7.5 trillion (million, million) cubic feet, will provide much of the growth in British Gas Corporation's marketing campaign over the next decade.

The other major gas pipeline will cover about 300 miles from Shell/Esso's Brent Field to St. Fergus. It is anticipated that the line should be completed in 1978.



Work on an Amoco platform in a North Sea gas field: production in both British and Norwegian sectors is building up.

But the project which is making BSC look seriously at its own capacity, as Dr. Dickson Mabon, Minister of State for Energy recently put it, is a possible network of gas gathering pipelines in the North Sea.

This scheme, which is being investigated by the Department of Energy and the gas and oil industries, would involve a grid of pipelines collecting gas from as many as 30 fields and unnamed discoveries. It is estimated that such a network could collect up to 1.5bn. cubic feet a day of gas (over and above the gas produced by Frigg and Brent). Much of this energy would come from fields too small to develop commercially on an individual basis or from oil fields where the associated gas would either be re-injected into the structure or flared and wasted.

A number of possible schemes have been put forward by Williams-Merz, the Newcastle consulting engineer group commissioned by the government to undertake the study. But the one, obviously favoured would involve four main feeder pipelines, including the lines for Brent and Frigg. They would collect gas from fields as far apart as Magnus in the North and Lomond in the South — assuming these, and other reservoirs, are declared commercial.

The total length of the system would be 800 miles, of which 550 miles would require pipes of 24-inch diameter or above. The possible cost has been put at £1.6bn. but this must already be seen as an under-estimate. Indeed, the Energy Secretary, Mr. Anthony Wedgwood Benn, said that the analysis omitted significant elements of costs and the system would be appreciatively more expensive.

Brokers Wood Mackenzie, who have also carried out a recent survey into North Sea pipeline prospects, reports that 1,500 miles of line, over and above projects already underway, are now on the drawing board or in the "possible" category. If the Dutch sector is included and the pipeline works in the fields themselves are added, the figure could go as high as 1,800 to 2,000 miles.

This survey takes in the whole of the North Sea and thus touches on the intriguing speculation surrounding development plans for the Statfjord field — the biggest discovery on the Continental Shelf which sits tantalisingly on the U.K./Norwegian median line. Currently it is thought that oil from the field will be piped to Norway while the gas could be piped to the north west coast of continental Europe, picking up gas from several smaller reserves en route.

But there are serious technical problems involved with both projects. The oil line would have to cross the notorious Norwegian trench, which in places is 1,000 feet deep. Concern about the gas line has centred on the ability to clean the 545 miles of pipe. Several manifold platforms would almost certainly be needed, which must add to the costs.

As the energy explorers venture into more remote and hostile environments in search of oil and gas, so the technical problems of development increase. This can be seen in Alaska, another area receiving much attention. According to latest reports from the area the extraction of natural gas is proving to be an even tougher prospect than the development of the oil reserves. Technical, environmental and political problems have combined to push up the anticipated costs. Some forecasts put the cost of the Alaskan gas line at $20m., about three times the cost of the delayed oil line.

It is still uncertain which route the pipeline will take. Two schemes have been considered by the Federal Power Commission but the overall prospect has been clouded by news of a third, conflic[t]... project.

The Russian gas industry ... is having to overcome form[id]able technical problems. Th[ese] largely arise from the fact ... the production growth is mai[nly] centred in the Eastern regio[ns] primarily in the Northern p[art] of the Tyumen region, while ... main consuming area is in ... European area and the Urals.

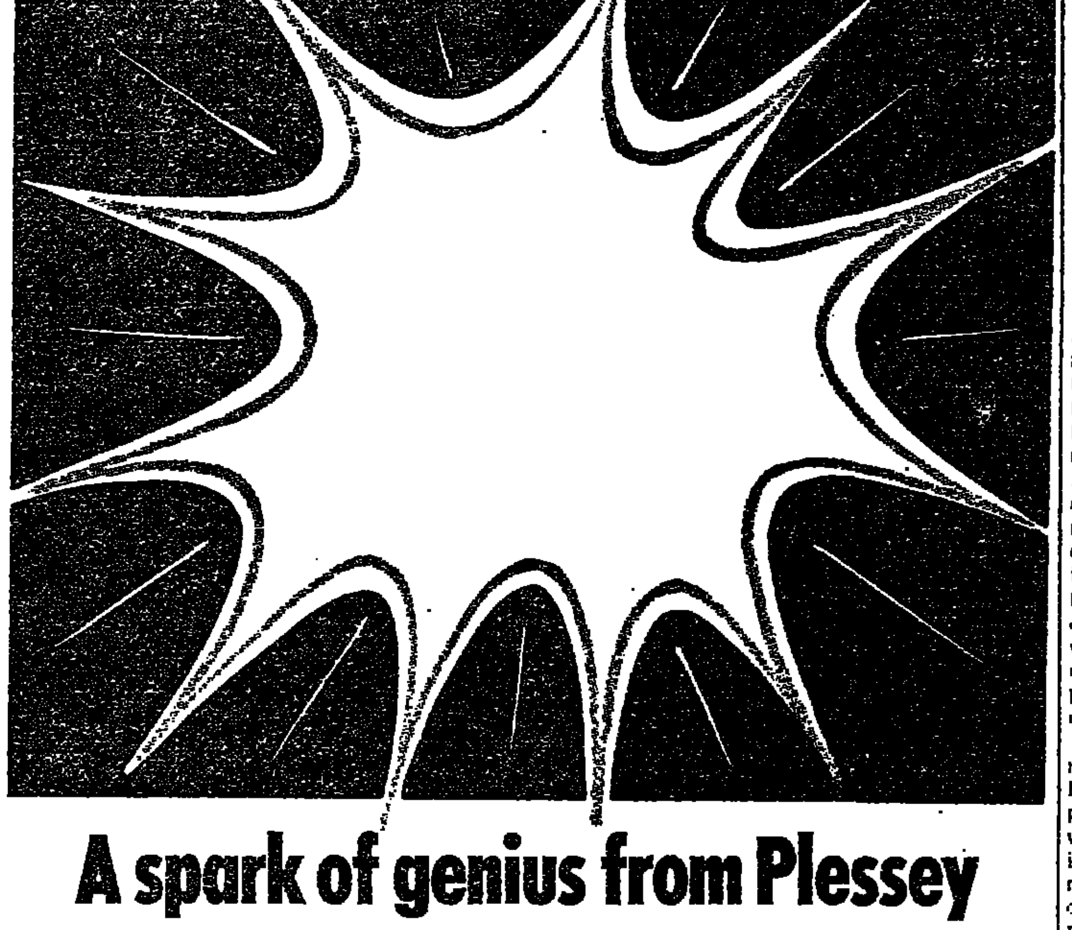
As one Russian paper, to [be] presented at the World Gas [Con]ference next week, points ...: "The gas pipelines are ... structed under the se[vere] climatic and soil conditions ... the average distance of the ... transportation increas[ed] greatly."

Growth

In order to ensure the pl[an]ned annual growth of gas p[ro]duction and consumption eq[ual] to 25bn. to 30bn. cubic met[res] it was necessary to construct ... commission each year 2,500 ... 3,000 km. of 1,420 mm. diame[ter]. The growth of the Russian ... industry has meant that ... total length of the pipel[ine] system rose to nearly 100 ... km. last year, almost two an[d a] half time more than a dec[ade] earlier.

This sort of growth in oil ... gas pipeline construction ... occurring throughout the we[st] —to the extent that this ... the installed mileage in ... Communist countries should ... 45 per cent. above the ann[ual] average for the past five ye[ars]. The growth is providing exci[ting] opportunities for the indust[ries] concerned. But if the rewa[rds] are tempting—and the pipel[ine] sector remains one of the ... gest markets for contractin[g] the challenges and risks are ... as daunting.

Ray Daf...



Shipowners still cautious

ENERGY EXPERTS, shipping analysts, shipowners and shipbuilders are all convinced that the seaborne carriage of liquefied natural gas could be a major growth trade of the 1980s. Natural gas offers not only an alternative energy resource which can help to eke out the world's oil reserves, but it has a lower pollution rating than oil. On most estimates it could increase its share of the world's energy consumption over the next 10 years from 18 per cent to as much as 34 per cent.

Since the large industrial markets of the U.S., Western Europe and Japan have only 22 per cent. of world resources within their own countries, an increasing proportion of the gas needed to meet the estimated demand will have to be transported either by pipeline or by ship. On paper this represents an exciting prospect for shipowners and shipyards, but political, technical and financial uncertainties have led to the development of a very cautious approach.

In essence, LNG carriers are now so extremely specialised and expensive—up to $150m. for delivery in 1979 — that it is a brave shipowner who will consider ordering a new vessel unless he has a firm charter guaranteeing its employment after delivery.

Unlike oil transportation, which has long had an active spot market for ship hire, there is not going to be a short term LNG charter market in the foreseeable future. Shipowners will therefore be looking for 15 to 20 year charters to guarantee returns on their investment. The importance of securing a charter has been underlined by the experience of a handful of shipping companies which have built LNG carriers over the past four years without having guaranteed employment for ships. They were built on an apparently reasonable expectation that the demand would be there by the time the ship was delivered.

P & O, Universal Gas and Oil and Hilmar Reksten all have ships which have been forced to trade in the spot liquefied petroleum gas market since their delivery, because the expected LNG demand has not materialised. In other cases ships which have secured charters before they left the shipyard have gone into lay-up because projects for which they were earmarked have been delayed. In some cases the cost is met by the charter party, in others wholly or partly met by the shipowner.

Surplus

According to a recent study by H. P. Drewry, shipping consultants, there are seven LNG carriers which are currently surplus to requirements with a total capacity of 513,200 cubic metres. Drewry forecasts that this surplus will continue until 1980 and concludes that "there is therefore no necessity for new ordering of LNG capacity for deliveries prior to 1980."[1]

The total LNG fleet in 1980 is expected to be around 79 ships with a total capacity of 6.62m. cubic metres.

However, as M. René Boudet, president of Gazocean, the French shipping company, pointed out recently, the problem for shipowners is potentially more serious than a mere surplus of seven ships would imply. Three-quarters of the 44 large carriers currently on order are due for delivery by 1978, or 18 months to two years before they can expect employment on projected trades.

In his Blackadder lecture in February to the North East Coast Institution of Engineers and Shipbuilders, M. Boudet saw cause for concern at this situation which he thought "might lead certain shipowners to leave their orders unconfirmed or to cancel them."[2]

M. Boudet was speaking with personal experience of the difficulty which this hiatus between ship delivery and start of project can cause. His company took delivery last year of the 120,000 cubic metre vessel, the Ben Franklin, one of the largest LNG carriers afloat, which went straight into lay-up to await the start-up of the Indonesia to U.S. trade, sometime in 1978 or 1979.

However, M. Boudet saw a brighter picture after 1980, anticipating seaborne LNG traffic of some 200bn. cubic metres by 1985. He predicted a requirement for 90 to 95 carriers of 125,000 cubic metres each between 1981 and 1986 at the rate of 18 to 19 ships a year. This would be within the capacity of the world shipbuilding industry and might help relieve the impact on shipyards of the world tanker glut, said M. Boudet.

At the moment there are eight trades providing regular service for 18 LNG carriers in the 22,400 to 75,000 cubic metre range. They are distributed as follows: two for the Algeria-U.K. trade (these were the first operational LNG carriers and were both British built), one for Algeria-France (Le Havre), two for Algeria-France (Fos), two for Alaska-Japan, four trading between Libya and Italy and Libya and Spain and seven between Brunei and Japan.

Afloat

Of ten vessels between 29,000 and 125,000 cubic metres currently afloat two are waiting for the start up of the Abu Dhabi to Japan trade towards the end of this year, one for the Indonesia to U.S. West Coast trade and one for the Algeria to U.S. El Paso project.

There are 19 ships between 125,000 and 130,000 cubic metres on order or under construction with firm employment prospects, three for Abu Dhabi-Japan, eight for Algeria-U.S. (El Paso), seven for Indonesia-Japan and two for Algeria-Spain. Prospects for a further 17 to 20 ships depend upon final agreements and necessary consents for trade to the U.S. from Indonesia, Algeria and Alaska and between Algeria and Europe and Sarawak and Japan.

The prospects for ships earmarked for new trades to the U.S. hang very much on political developments within the U.S., affecting Federal Power Commission procedures and responsibilities. The FPC has laid a dead hand on several projects which would otherwise now have been near inauguration.

All projects have to be submitted to the FPC which makes judgments in the light of estimated requirements and resources, the selling price of the gas to the various users, security of supply and poten[tial] pollution and environme[ntal] hazards. On each subject ... FPC is required to garner ... opinions of the appropri[ate] Federal, State, District and ... authorities. This is supplem[en]ted by a comprehensive sys[tem] of public hearings.

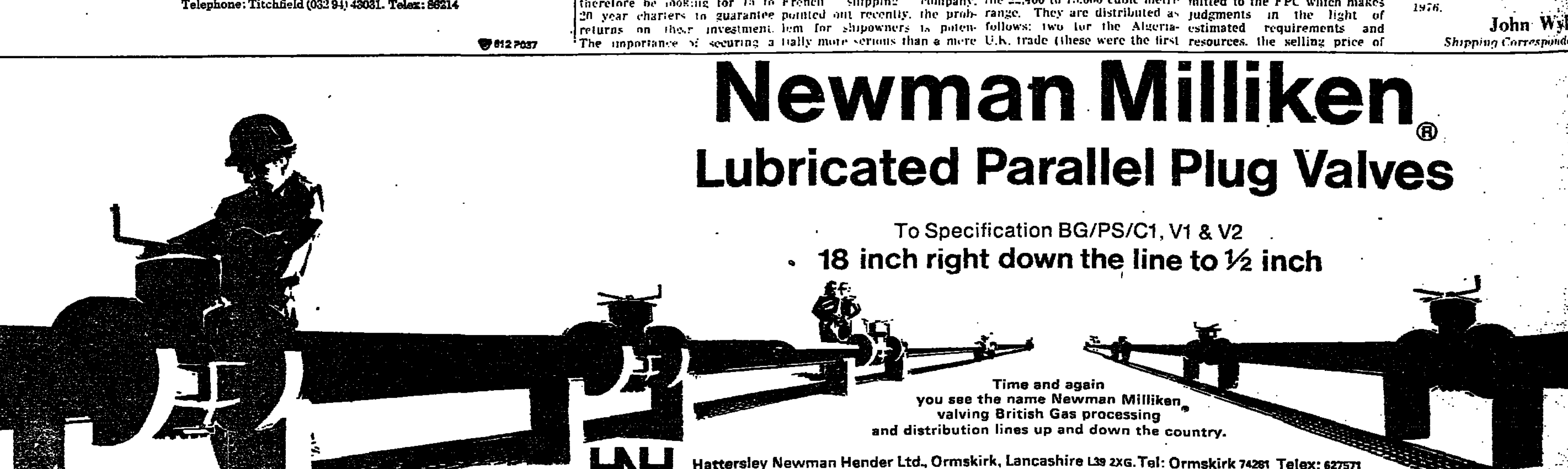
"Such a mission, justi[fied] though it may appear, and democratic, necessarily invol[ves] a procedure so heavy, so lo[ng], so bureaucratic, and such ... lays that the final object— public interest—is eventu[ally] lost from view," comments ... Boudet who added that ... procedure nullified four c[on]tracts worth 21bn. cubic met[res] a year because they were ... approved within an agr[eed] timescale.

Many of the world's shipya[rds] will be hoping that the U.S. ... particular will quickly arrive ... a settled energy policy whi[ch] among other things, provi[des] for a speedier implementati[on] of natural gas projects. Seve[ral] yards whose future is threaten[ed] by the collapse of the tank[er] market, such as Kockums ... Sweden and Kawasaki in Jap[an] are pinning their hopes on ... flow of orders for large L[NG] carriers to take up the slack.

1—*World LNG Trade and Sh[ip]ping. Number 42 in a seri[es]. April 1976. Published ... H. P. Drewry (Shipping Co[n]sultants) Ltd., London.*

2—*World-wide Market and Ma[ri]time Transportation ... Liquefied Gases. M. Re[né] Boudet. The 10th Blac[kadder] Lecture, February ... 1976.*

John Wyl...
Shipping Corresponde[nt]



AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

						IRISH		
						Conv. 9% '80/82	£94¼	......
Albany Inv. 20p	18	......	Higsons Brew.	95	......	Alliance Gas	65	......
Ash Spinning	34	......	I.O.M. Stm. £1	133	......	Arnott	225	......
Bertam	23	......	Holt (Jos.) 25p	235	......	Carroll (P.J.)	115	−1
Bdg'wtr. Est. 50p	135	+2	Kleen-e-Ze	21	......	Clondalkin	44	......
Clover Croft	30	......	Lovell's Ship £1	98	......	Concrete Prods.	95	......
Craig & Rose £1	335xd	......	N'thn. Goldsmith	84	......	Heiton (Hldgs.)	22	+1
Dyson (R.A.)	18	......	P.M.A.	40	......	Ind. News	40	......
Ellis & McHdy.	69	......	Pearce (C. H.)	86	......	Ins. Corp.	160	......
Evans Fr'k. 10p.	23	......	Peel Mills	14	......	Irish Distillers	50	−3
Evered	18	......	RobbCaledonsh.	30	−7	Irish Glass	35	......
Fife Forge	45	......	Sayers 12½p	13	......	Irish Ropes	115	......
Finlay Pkg. 5p	16½	......	Sheffield Brick	86	......	Jacob	61	......
Frost & Reed 50p	152	......	Sheff. Refrshmt.	140	......	Sunbeam	12	......
Graig Ship. £1	315	......	Shiloh Spinn.	24	......	T.M.G.	92½xd	......
Hallam Sleigh 10p	8	......	Sindall (Wm.)	50	−2	Unidare	70	......

FOOD PRICE MOVEMENTS

	June 3 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton†	910	960	960
British A.1. per ton†	880	920	910
Irish Special per ton†	870	910	910
Polish A.1 per ton†	—	—	—
Ulster A.1 per ton†	870	910	910
BUTTER (packet)			
NZ per 20 lbs†	9.20-9.26	9.20-9.26	9.20-9.26
English per cwt†	51.83	51.83	47.39-51.83
Danish salted per cwt†	51.83	53.30-55.33	53.83-55.33
CHEESE¶			
English cheddar rindless per tonne	950.79	950.79	—
NZ per tonne	872.5	872.5	896.5
EGGS*			
Home-prod. Standard	—	2.40-2.60	3.25-3.50
Large	—	2.75-3.00	3.45-3.70
	June 3 per pound p p	Week ago per pound p p	Month ago per pound p p
BEEF			
Scottish killed sides (ex KKCF)	40.5—44.0	40.0—42.5	40.0—43.0
Eire forequarters	30.0—31.0	29.0—30.5	29.0—32.0
Argentine chilled rumps	—	—	—
LAMB			
English	44.0—48.0	44.0—48.0	50.0—54.0
NZ PLs-PHs	36.5—40.0	36.0—39.5	32.0—38.5
PORK (all weights)	28.0—37.5	28.0—38.0	26.0—38.0
MUTTON			
English ewes	18.0—22.0	18.0—22.0	15.0—20.0
POULTRY			
Broiler chickens	26.0—27.0	25.0—27.0	24.0—26.5

* London Egg Exchange price per 120 eggs. † Delivered.
¶ For delivery June 5-12.

PROPERTY APPOINTMENTS

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99 1/16	92 3/8	Treasury 8 1/2pc 1976‡‡	99 1/4	+1/32	6.56	11.04
98 5/8	95 5/8	Victory 4pc 1976‡‡	98 5/8	.....	4.04	—
101 3/4	79 1/2	Treasury 10 1/2pc 1976‡‡	99 5/8xd	+1/16	10.54	11.32
96 3/4	95 3/4	Treasury 6 1/2pc 1977‡‡	96 5/8	+1/8	6.48	11.24
97 1/4	94 1/2	Electric 3pc 74-77	95	+1/4	3.16	9.78
103 3/4	92 3/4	Treasury 11 1/2pc 77‡‡	99 1/2	+1/8	11.56	11.81
94 3/4	91 7/8	Treasury 3pc 77‡‡	93 1/2xd	+1/8	3.20	7.81
94 1/8	92 1/4	Transport 4pc 72-77	94 1/4xd	+1/4	4.25	6.33
99 3/4	90 1/2	Treasury 9pc 1978‡‡	95 1/2	+1/2	9.42	11.84
101 1/2	97	Treasury 10 1/2pc 78‡‡	97 7/8	+5/8	10.75	11.79
93 1/2	89 5/8	Exchequer 5pc 76-78‡‡	90 3/4	+1/4	5.51	9.52
103 3/4	97 7/8	Treasury 11 1/2pc 79‡‡	98 3/4	+1/2	11.65	12.03
88 1/2	83 5/8	Treasury 3pc 79‡‡	85 1/2	+1/2	3.51	8.10
88 1/8	73 7/8	Electric 4 1/2pc 74-79	86 1/2	+1/2	4.91	9.25
		[illegible]			[illegible]	12.92
		[illegible]			[illegible]	8.42

Five to Fifteen Years

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Decel.)

FOREIGN BONDS & RAILS

US $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 45% (based on $1.7155 per £)

Conversion factor 0.5835 (0.5780)

CANADIANS

1976 High	Low	Stock	£	+ or −	Div. Gross	C'vr	Y'ld Gr's
13 1/8	10 3/4	Bk Montreal $2	13xr	−1/8	$1.00	—	4.4
35 5/8	29 1/4	Bk Nova Scot. $2	34 5/8	−5/8	$1.60	—	2.6
42 1/8	33 3/4	Bell Canada 25c	42 1/8	+5/8	$3.44	—	4.7
23 5/8	12	Bow Valley‖	20 3/4	−1/4	10c	—	0.3
990p	860p	Brascan‖	915p	−15	s$1.00	—	6.2
29 3/4	19 1/4	Can.Imp.Bk. $2	23 3/4	−3/4	$1.28	—	3.1
15 1/2	10 3/4	Can.Pacific $5	15	−1/4	84 1/2c	—	3.2
29 5/8	26 1/2	Do 4pc Deb. £100	27 1/2xd	+1/8	4%	—	14.6
37 7/8	21 5/8	Gulf Oil Can.‖	28 1/4xd	+1/4	$1.00	—	2.0
670p	500p	Hawker Sid. Can.‖	535p	+15	36c	—	3.6
31 3/4	22	Hollinger $5	30 3/4	−3/8	$1.80	—	3.3
18	12 3/4	Hudson's Bay ‖	17	−1/4	60c	—	2.0
34 1/8	26 5/8	Hud.B.Oil G. $2 1/2	32 7/8	+3/8	$1.40	—	2.4
22 1/4	17	Imperial Oil‖	20 7/8	+3/8	80c	—	2.2
31 1/4	19 1/2	Inco	28 1/2	−1/4	$1.40	—	2.6
820p	660p	Int. Nat. Gas $1	800p	+10	90c	—	5.7
24 3/4	16	Massey Ferg.‖	24 3/4	+1	$1.00	—	2.3
27 5/8	20 1/4	Pacific Pet. $1	27 1/2	+1/8	80c	—	1.7
33p	24p	Placer Gas $1	33pxd	+1	—	—	—
29 3/4	22 5/8	Rio Algom	27 1/4xd	−3/4	$1.00	—	2.1
25 1/16	20 3/4	Royal Bk Can. $2	24 5/8	−1/4	$1.28	—	2.9
25 1/4	20 1/2	Seagram Co C$1	21 5/8	−3/8	80c	—	2.1
16 7/8	13 1/4	Tor. Dom. Bk. $1	16	−1/2	70c	—	2.5
11	10 3/8p	Trans. Can. Pipe	10 3/8p	+1/2	82c	—	19.2
790p	680p	White Pass	750pxd	.....	ϕ35c	—	2.7

S.E. List Premium 45% (based on $1.6785 per £)

BANKS AND HIRE PURCHASE

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
250	195	Alexanders D. £1	195	.....	11.67	—	9.2	—
£110	£89	Algemene Fl.100	£95	+1/2	Q21%	ϕ	4.0	ϕ

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
710	350	Blyvoor 25	530	−10	‡Q100c	1.3	‡
£14	785	Buffels R1	£10¾	−½	Q125c	ϕ	7.0
198	95	Deelkraal R0.20	146	−9	—	—	—
760	530	Doornfontein R1	450	......	‡Q110c	1.4	‡
965	640	East Drie R1	830	−20	Q75c	1.7	5.4
280	160	Elandsrand Gld 20c	220	−5	—	—	—
190	112	Elsburg R1	140	−5	Q33.8c	1.0	14.3
£16½	£11¼	Hartebeest R1	£14¾	......	Q215c	1.4	8.6
695	420	Kloof Gold R1	520	......	Q55c	1.4	6.3
760	400	Libanon R1	465	−25	‡Q110c	1.9	‡
760	335	Southvaal 50c	580	−20	Q9c	1.3	0.8

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
85	42	Botswana RST P2	63	......	—	—	—
335	170	Messina R0.50	265xd	+5	†Q35c	1.9	7.3

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
10	8	Burma Mines 17½p	9	......	0.1	ϕ	1.8
39½	23	Charterhall 5p	25½	+½	—	—	—
965	530	Cons. Murch. 10c	870	−30	Q80c	1.8	5.4
55	28	Laurasia	44	......	—	—	—
455	245	Northgate C$1	375	......	Q25c	0.3	3.5
239	173	R.T.Z.	208	+2	5.42	2.1	4.0
112	84	Sabina Inds. C$1	85	−1	—	—	—
£14¼	£10	Tara Expln. $1	£14¾	......	—	—	—
132	84	Yukon Cons. C$1	132	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ◆ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ϕ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 23

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES

Friday June 4 1976

London options market likely

BY MARGARET REID

A LONDON market in traded options is likely to begin operations next spring if the Stock Exchange Council gives its backing to the project when it meets on Tuesday.

Formation of a traded options market, modelled on the successful three-year-old Chicago Board Options Exchange, has been recommended by a committee of the Stock Exchange, headed by Mr. Dundas Hamilton, a deputy chairman, after a detailed investigation by Mr. Peter Durlacher.

If it is decided to proceed on Tuesday, it is likely that the new options exchange would be run jointly with one expected to be established by the Amsterdam Stock Exchange.

British investors already can purchase options to buy or sell shares at a pre-determined price within a specified future period, but thereis as yet no market for dealing in the options.

This would be provided by an options exchange, which its supporters claim would add valuably to the range of alternative procedures open to the investor.

Substantial

The project to be discussed by the Stock Exchange Council would involve a common clearing house of hte kind operating in Chicago, which would handle the mechanics of option dealings and afford an effective guarantee that contracts would be honoured.

The clearing house would serve the separate London and Amsterdam operations. Substantial amounts of computer equipment would also be required.

To guard against any danger of manipulation of the underlying share market in the interests of option traders, the London traded options market would be confined initially to the shares of about 15 major companies.

Would-be "market riggers" would find it quite beyond their power to influence the movement of the widely-held, highly marketable shres of such companies so as to make related option deals profitable to themselves.

So successful has the Chicago traded options market proved that the New York Stock Exchange recently commissioned a study, the result of which has been to confirm that a similar venture in New York would be feasible.

World banks buy gold worth $92m.

BY DAVID BELL

WASHINGTON, June 3.

THE BANK for International Settlements is believed to have bought just over 20 per cent. of the gold worth $92m. auctioned here yesterday by the International Monetary Fund.

The IMF is not officially releasing the names of bidders for the 780,000 troy ounces of gold in the first of 16 auctions to be held over the next two years to help to finance a trust fund for developing countries.

Informed sources, however, said to-day that the Bank of International Settlements bought 162,400 ounces or about 20.8 per cent. of the gold offered. The only bidder to buy more was Societe Banque Suisse, of Zurich, which successfully bid for 178,000 ounces, 22.9 per cent. of the total.

Three British banks—Rothschilds, Johnson Matthey and Samuel Montague—were also reported to be among the successful bidders as was a Russian bank, Wozchod Commercial Bank of Zurich, which bought 2.6 per cent. of the gold. Rothschild bought 7.9 per cent., Johnson 7.3 per cent. and Samuel Montague 4.1 per cent.

The Fund appeared pleased with the results of the auction and its effect on world gold markets to-day, but directors conceded that there would be great interest in what the BIS might do with the gold it had bought.

It is understood that the bank actually entered bids for 462,000 ounces, but it is not known whether it was buying on its own account or for resale to central banks, possibly including the French who in the past have expressed an interest in buying some of the gold.

Sources in Washington suggested that the BIS might also consider selling some of what it has bought to at least one Eastern European country, which has apparently shown interest. South African and Arab interests were also reported to have been responsible for a significant amount of the buying.

After a day of tabulating the large number of offers received from about 28 bidders yesterday, the Fund said last night that it had sold all the 780,000 ounces at a common price of $126, unanimously agreed by the directors. Bids are understood to have ranged from $105 to $134, with the average successful bid working out at $126.98. Bids were received for a total of $2.368m.

According to these sources, the main buyers (with their percentage of the total sold) included Societe Banque Suisse (22.9), BIS (20.8), Union Banque Suisse of Zurich (9.3), Dresdner Bank of NY (8.2), Rothschild (7.9), Johnson Matthey (7.3), Republic National Bank of NY (6.2), Samuel Montague (4.1), Shays Pixley of NY (3.3) and Wozchod Commercial Bank (2.6). The remaining approximately 7.4 per cent. of the total was split among other bidders.

Car output improves 76% since May last year

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

The recovery in U.K. car production this year suddenly surged forward last month when output, according to official figures released yesterday, was 76 per cent. above that of May last year.

The underlying position is, naturally, by no means as dramatic as this figure suggests. Nevertheless, both on the basis of recorded production and the seasonally-adjusted statistics, the performance of the industry during the five months to May suggests a considerable improvement on last year.

Disputes

Comparing the three months March to May with the preceding three-month period, car production was up by 4 per cent. in seasonally adjusted terms, and in the first five months, at an average output of 115,000 units a month, production increased by 3 per cent. on the same period last year.

Significantly, these figures take in the very troubled patch which British Leyland experienced in March and April when it suffered from a number of strikes and lost production momentum.

In spite of these disputes, the industry overall maintained progress, and a continuation of last month's performance—when recorded output reached 127,000 units (122,000 seasonally adjusted)—woul dmean a very significant recovery. As it is, output last month was the best for the past 14 months.

The big question for the industry now is what effect the slide of the pound will have on the market.

If economic conditions get tougher, there are fears that the recent improvement in registrations will not be maintained, and in normal times a decline in home sales feeds through into lower production.

However, British cars have become considerably more competitive overseas in recent months, and if there were to be problems at home, manufacturers might well maintain output in order to service overseas sales.

This year, for instance, British Leyland has been deliberately holding to its export quotas despite critical delivery shortages in the U.K., and Vauxhall has also been trying to step up exports again.

The Department of Industry yesterday gave preliminary British registration figures for last month of 117,000 cars, the third monthly improvement in succession.

Figures due from the Society of Motor Manufacturers and Traders to-day are expected to confirm this trend, and show a radical improvement on registrations for May last year, although imports are still expected to account for about 33 per cent. of the total market.

Upward trend

Given the seasonally-adjusted figure of 111,000 car sales last month, it is possible that registrations could get back to the 1.3m. level this year if present trends are maintained.

Commercial vehicle production over the first five months of this year was still running at 9 per cent. below the comparable period last year.

On a three-month to three-month basis, however, output has shown a slight upward trend, rising from an average of 30,800 units a month in December to February period to 31,600 in March to May, an increase of 2 per cent.

Portland Cement cuts staff by 500

By Michael Cassell, Building Correspondent

PRODUCTION CUTS announced yesterday by Associated Portland Cement Manufacturers, the Blue Circle Group, will cost 500 people their jobs.

The redundancies at three plants result from the continuing recession in the building sector, which has led to big reductions in demand for a wide range of construction materials.

The works involved are at Sundon, near Luton, Kirton Lindsey in Lincolnshire and Wouldham near Grays, Essex. The latter two will be converted into distribution depots.

The industry's work this year is expected to be down by about 2 per cent. after a 6 per cent. fall last year and a 10 per cent. drop in 1974.

An estimated 220,000 building workers have lost their jobs since the recession began to bite. the figure is even bigger when redundancies in ancillary industries are included.

Exports fall

Blue Circle last year delivered 10.5m. tonnes of cement to the home market, just under 5 per cent. less than in 1974, when sales dropped by nearly 13 per cent. Exports last year fell 23 per cent. to 700,000 tonnes.

The group's pre-tax profits rose from £22.5m. to £42.5m. because of large price increases and substantial cost savings. A further improvement in profits is expected this year.

In the first 20 weeks this year, sales have been about 6 per cent. down on last year and production is running at about 75 per cent. of capacity. U.K. deliveries this year are expected to be about 5 per cent. down on last year.

Blue Circle said yesterday that prospects "regrettably remain depressed" and that steps to deal with continuing surplus with the trade unions and staff capacity were necessary.

Discussions

Discussions had taken place association and it was intended to stop production at three works where older, wet process production techniques were used.

Last year, Blue Circle cut 1.7m. tonnes off its total cement producing capacity, with kiln closures at five plants and one permanent works closure. About 400 workers lost their jobs. So far this year, it has reduced capacity by a further 700,000 tonnes.

The company said last night that in spite of the further reduction in capacity, it would retain sufficient reserve capacity to meet any likely upsurge in demand, but it clearly does not expect any upturn in the foreseeable future.

● The building recession was blamed yesterday for the dismissal of 44 workers at the Ashington, Northumberland, factory of Beyrolle Belmos, part of the Reyrolle Parsons Group. The cuts, representing a-fifth of the workforce, were because of a drop in orders for electrical plugs and sockets from the building sector.

THE LEX COLUMN

BP's earnings disappoint

It looks as though the authorities are against any further rise inMLR. This may fit in with their general handling of the slide in sterling: the discount houses will not be so serene, but they usually know where their duty lies. As for the other auction—in Washington—this also seems to have been well stage managed and fully discounted in the gold share market over the past month.

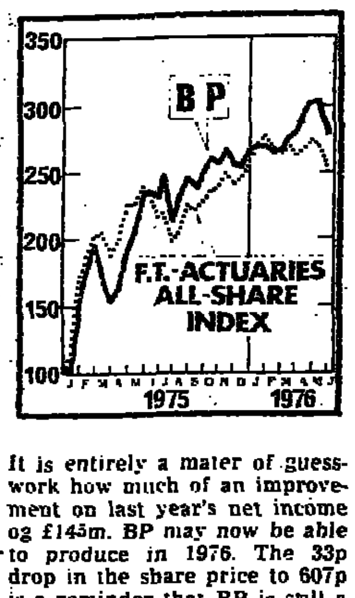
BP

Lured into a false state of optimism by recent results from Shell and some of the U.S. majors, the oil sector analysts were badly disappointed by BP's net income of only £20.2m. for the first quarter, less than in the previous three months and under half the figure for January-March 1975. Outside estimates had ranged anywhere between £35m. and £50m. There has, sure enough, been the beginnings of an upturn in sales of products and chemicals, with a volume rise of nearly a tenth on a year ago (though crude sales remain fairly depressed). But BP is highly exposed to the toughest markets like Germany and Sweden where it has been making losses (which look worse when expressed in devalued sterling). It has probably only been breaking even in France. And the U.K. market is now being severely threatened by the collapse of sterling, with an urgent need to increase prices. There is thus a danger that although most Continental markets are now improving the U.K. will deteriorate further.

Nonetheless, BP has shown before that it is capable of showing a rapid earnings recovery in reasonable conditions. And it should soon start to see more tangible benefits from North Sea oil. The analysts may have overestimated the first quarter impact of Forties, given that it takes thre months for production to come through to product sales. The first quarter has borne an extra £28m. of depreciation and interest, which gives an idea of the financial gearing involved: on the other hand, the U.K. tax charge looks rather low, and BP must have found some credits to offset part of the deferred petroleum revenue tax charge.

Once again BP has demonstrated its need for the kind of higher quality earnings which Alaska and the North Sea should in due course provide.

Index rose 2.4 to 367.1



It is entirely a mater of guesswork how much of an improvement on last year's net income og £145m. BP may now be able to produce in 1976. The 33p drop in the share price to 607p is a reminder that BP is still a highly volatile situation.

English Property

English Property Corporation's circular on its recent major transaction will focus attention on a dividend yield of 8½ per cent. at 41p, which cost the group £1.4m. last year. For as well as confirming that the deals will lead to a significant improvement in the balance sheet ratios, the document also has a favourable message for the revenue account. Pre-tax profits will get a net £2.6m. lift from the disposals and associated debt repayments, and net rental income on the remaining U.K. portfolio will rise from £6.7m. to an annual £15.2m. at present market levels by the end of 1979.

Clearly EPC has to pay a price. In Canada, the Bronfman interests are increasing their voting interests in EPC's Trizec subsidiary from 14 to just over 50 per cent. at a cost of $C46m., which does not represent much of a premium for control of a company currently capitalised at C$115m. They get a good return on their money—the new company which has been set up to hold the relevant Trizec shares will receive $C2m. of dividend income at current rates, and have to pay out $C4½m. in its preferred shares—and it ought to be possible for the Bronfman interests to refinance their original investment in five years time.

In the other deal, the sale £55¼m. worth of properties Eagle Star, EPC is taking a loss of over 10 per cent. balance sheet figure. But terms throw up a small sur on the directors' estimates last March, and the impact more than offset by the pre ment of long-term debt discount. On a pro forma consolidated net worth amou to £145m., while borrow excluding the convertibl based on last October's figu adjusted for material cap movements and curre changes—stand to drop £120m. to a net £517m. Excl ing Trizec, the group's medi and short-term debt will little more than £30m. while the market capitalisa is £34m., and the shares rem close to last winter's low po

Percy Bilton

Percy Bilton's debt bas with its substantial bias towa low coupon finance—contin to propel the group forw Profits have actually accelera in the second half of 1975 growth of a fifth for July December leaving a pre total of £5.02m., against £42 More than half the upt springs from rising re income, with a jump in inte received accounting for further quarter or so. Howe Bilton's divisional breakd —on an after-tax basis—sh that the development operati have had a static year, helped by a weak performa in France.

This year the group more than capable of fur earnings growth. Rental inc is apparently going to rise as much as last year's £½ and is projected to increase a further £1.6m. over the succeeding years—and the d lopment operations should h an easier time. In contract orders are very solid. At the p/e will ease to around if Bilton can come up another 15 per cent. rise in e ings. That multiple rests now (36½ per cent.) tax cha But the group balance sheet emerged from 1975-76 stro than ever with net cash amo ing to £6.7m. and total net rowings representing just half of tangible net asset worth 84p a share. Yield is rently 4.3 per cent. covered times.

Offshore base men walk out

By Our Own Correspondent

ABOUT 140 men employed at Lewis Offshore's fabrication base at Arnish, Stornoway, went on unofficial strike yesterday, after what was described as a "breakdown in industrial relations between the management and the workforce."

Platers, welders, operators and security wen all walked off the site. The talks were over claims for an "island allowance" and other incentive allowances.

Mr. Tom Gray, divisional organiser of the Amalgamated Union of Engineering Workers, from Dundee, left Stornoway after it appeared that no progress had been made during the talks with the management.

Workers' representatives said last night that they would meet the management on Monday, to discuss the possibility of a return to work.

'Millions of dollars damage at smelters' Alcan claims

BY ROBERT GIBBENS

MONTREAL, June 3.

MILLIONS of dollars worth of potential damage may have been done to Alcan Aluminium smelters in Quebec and British Columbia after sudden walkouts by union members, the company claimed to-day.

Nearly 8,000 employees have struck at all the company's Canadian smelters except one at Shawinigan, Quebec, where an arbitration board ruling prevents strikes and lock-outs while a decision is made on which union group will represent the workers.

This means that nearly 900,000 tons of Alcan's Canadian smelting capacity is down, out of a total of nearly 1m. short tons. The Shawinigan smelter has a capacity of 100,000 tons.

The walkouts in Quebec came after the breakdown in talks for a new contract. The old contract expired on Monday.

The Kitimat smelter in northern British Columbia settled early this year within anti-inflation Board guidelines. The strike there to-day was over a local grievance.

The Canadian Association of Smelter and Allied Workers claimed that the company had refused to talk over the problem and told the workers to go home.

An arbitrator was expected in Kitimatlate r to-day Alcan said that communications were and it could not confirm any damage at Kitimat because of the walkout.

The Quebec workers are represented by a member of the militant Quebec union group, the National Confederation of Trade Unions.

The company confirmed that power was turned off at a smelter near Montreal after it was abandoned by the workers late yesterday.

Because picket lines have been set up round all the strike bound Quebec smelters, including the world's largest at Arvida, and at company power stations, preventing non-union staff from getting inside there is a real danger of pot lines solidifying.

The metal solidifies in the pots and it can be removed only by pneumatic drills. In addition to the solidifying of metal, there may have been other widespread damage, Alcan said.

The company said telephone lines besides power lines to some of the smelters had been cut. It could not estimate the full damage to the smelting system.

It said that the walkouts were a retaliatory measure when Alcan began a phased shutdown of the Quebec smelters after the union failed to meet certain conditions in contract negotiations.

School choice guidelines 'inadequate'

GOVERNMENT advice to education authorities on placing children in the schools their parents choose is criticised in the education magazine Where for not doing enough to stop the parents' choice being overridden.

The advice was sent out in a draft circular from the Department of Education and Science.

The magazine article says the draft circular gives too little attention to guiding authorities on "the principles which should government their consideration of parents' wishes."

NEB lends Herbert £5m.

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE NATIONAL Enterprise Board has got its machine-tool stockbuilding aid scheme off the ground by making £5m. available to Alfred Herbert, the State-owned group taken into the Board's portfolio in February.

Mr. John Buckley, Herbert's chairman, said at yesterday's annual meeting in London that £2m. of the cash had already been taken up.

The stockbuilding scheme is particularly important in the light of the problems faced by the machine-tool makers. The order intake in May was poor after a first quarter which showed some signs of reversing the downward trend.

Two-year limit

Mr. Buckley said that Herbert's flow of new orders in the first four months of this year "was less favourable than expected and it has not got better as the year went on. Our understanding is that this is common throughout the machine-tool industry."

Herbert has borrowed the money for a maximum of two years at a commercial rate of interest. The attraction is that the interest does not have to be paid until the loan itself is repaid, but if the machines stockpiled are sold earlier the repayment can take place before the two years are up.

Another six deals for stockbuilding loans—from about 20 firm inquiries—are in the final stages of negotiation by the National Enterprise Board which is treating each one as a separate banking exercise.

There is some disappointment at the Board about the slow build-up in applications, but the machine-tool companies say this is mainly because the Board suggested that in some cases it might take a stake in the borrower.

This has made many possible applicants shy away because they do not relish the prospect of having the Board as a shareholder.

The Board says that this was put forward merely as a possible solution for companies wanting to take adavantage of the stockbuilding money, but which already had heavy borrowings.

It would look at any suggestions that might be put forward by individual companies looking for stockpiling loans.

Herbert, like other companies in the industry, was unable to forecast when a significant upturn in demand for machine tools would occur, said Mr. Buckley.

Much depended on three major projects, all of which had been delayed.

First, there was British Leyland car division's investment programme. "There are signs that Leyland is getting ready to place orders and we believe we shall get some."

Then there was the Polish tractor industry project, which could bring orders worth £100m. for U.K. machine-tools. These should be made by the end of this year but Herbert fears it might have to wait another nine months for orders from this source.

There is also a major tank spares factory to be built in Iran, and Vickers is in the running for a contract. Many U.K. machine-tool concerns hope this will bring them business but the project has been put back a year.

Weather

U.K. TODAY

CLOUDY, sunny spells. Some rain in N.W.

London, S.E., S.W., N.W. and Cent. England, Midlands, Channel Is., Wales

Dry, sunny intervals. Wind variable, light. Max. 19C (66F).

E. Anglia, E. and N.E. England, Lakes, I. of Man, Borders, Edinburgh, Dundee, Glasgow, S.W. Scotland, Cent. Highlands

Mainly dry, bright intervals. Wind N.W., light. Max. 16C (61F).

Aberdeen, Moray Firth, N.E. Scotland, Orkney, Shetland

Mainly dry, cloudy. Wind N.W., light or moderate. Max. 11C (52F).

Argyll, N.W. Scotland, N. Ireland

Cloudy, light rain or drizzle. Wind S., light or moderate. Max. 16C (61F).

Outlook: Dry in S., cloudy in N.

Lighting-up: London 21.41, Manchester 22.00, Glasgow 22.24, Belfast 22.22.

BUSINESS CENTRES

		Y'day Midday °C	°F			Y'day Midday °C	°F
Madrid	S	24	75	Alexandria	C	26	79
Manchstr.	F	14	57	Amsterdm	C	11	52
Melbourne	C	12	54	Athens	S	23	73
Milan	F	24	75	Barcelona	S	22	72
Montreal	S	20	68	Belfast	F	15	59
Moscow	C	12	54	Belgrade	C	17	63
Munich	C	10	50	Berlin	C	16	61
Newcastle	F	13	55	Birmnghm	C	17	63
New York	S	21	70	Bristol	C	15	59
Oslo	C	16	61	Brussels	C	11	52
Paris	F	13	55	Budapest	F	14	57
Perth	C	15	59	B. Aires	S	10	50
Prague	F	12	54	Cairo	S	[illegible]	[illegible]
Reykjavik	C	14	57	Cardiff	C	13	55
Rio de Jo	S	21	70	Cologne	Dr	9	48
Rome	S	24	75	Copenhgn.	S	17	63
Singapore	C	31	88	Dublin	C	15	59
Stockholm	S	16	61	Edinburgh	C	15	59
Strasbourg	C	13	55	Frankfurt	R	11	52
Sydney	S	17	63	Geneva	F	16	61
Tehran	S	30	86	Glasgow	F	15	59
Tel Aviv	S	25	77	Helsinki	Dr	9	48
Tokyo	C	24	75	H. Kong	C	25	77
Toronto	S	20	68	Jo'burg	S	21	70
Vienna	R	12	54	Lisbon	S	23	73
Warsaw	C	10	50	London	F	15	59
Zurich	C	11	52	Luxembrg	C	9	48

HOLIDAY RESORTS

		Y'day Midday °C	°F			Y'day Midday °C	°F
Ajaccio	S	22	72	Jersey	S	17	63
Algiers	S	26	79	Las Plms.	S	21	70
Biarritz	F	18	64	Locarno	C	11	52
Blackpool	S	15	59	Majorca	F	22	72
Bordeaux	F	20	68	Malaga	S	21	70
Boulogne	C	11	52	Malta	S	27	81
Casablanca	F	21	70	Nairobi	S	23	73
Cape Tn.	C	17	63	Naples	S	24	75
Corfu	S	25	77	Nassau	S	29	84
Dubrovnik	F	21	70	Nice	S	23	73
Faro	F	17	63	Oporto	S	22	72
Funchal	S	21	70	Rhodes	S	27	81
Gibraltar	S	25	77	Salzburg	R	9	48
Guernsey	F	15	59	Tangier	F	20	68
Innsbruck	C	12	54	Tenerife	F	20	68
Inverness	C	14	57	Tunis	F	[illegible]	[illegible]
I. of Man	S	15	59	Valencia	C	22	72
Istanbul	C	26	79	Venice	F	23	73

S—Sunny. F—Fair. C—Cloudy. R—Rain. Dr—Drizzle.

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